

G-7's Goodwill Offers But a Brief Distraction From 'Evil' of Joblessness

By Steven Brill
International Herald Tribune
TOKYO — The leaders of the seven major industrial democracies, wrapping up a three-day summit meeting Friday, made little headway in overcoming the common problems of swelling joblessness and weak economic performance that continue to plague their nations. In a final communiqué, the leaders of the Group of Seven lamented the rising tide of unemployment that is sweeping across most advanced industrial nations, but made it clear that they had no easy solutions to offer that would satisfy their increasingly disenchanted voters.

global trade barriers that would help expand industrial output. At the same time, they moved cautiously to help shore up President Boris N. Yeltsin of Russia, offering a \$3 billion aid package to help private state enterprises while holding back from any firm trade commitments that would help Russia expand its exports. Chancellor Helmut Kohl of Germany was quoted by officials as an early session of the three-day summit meeting as saying it was important that the G-7 leaders, after several comparatively fruitless summits, should not build up false hopes of what they are capable of accomplishing. The spokesman for the British delegation, Steve Bird, echoed that sentiment. "We don't want to raise expectations for things we can't produce," he said. There was little danger of that this year. "We didn't expect anything to happen during the summit, so the markets weren't exactly shocked when it didn't," said Richard Davidson, an economist at Morgan Stanley International in London. "But we were pleasantly surprised on the trade deal. That has to be a net plus." For the fourth straight year, the G-7 nations vowed to wrap up by the end of the year the long-stalled Uruguay Round of world trade talks, sponsored by the General Agreement on Tariffs and Trade. Acknowledging widespread skepticism, the leaders emphasized their determination to finish the GATT talks by Dec. 15 by approving the

NEWS ANALYSIS

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President Bill Clinton and President Boris N. Yeltsin of Russia in Tokyo on Friday.

New Run on the Franc Shakes EC Money Grid France Rushes to Prop Up Currency, But German Reaction Is Still the Key

By Tom Redburn
International Herald Tribune
PARIS — Amid signs of a deepening recession in France and renewed pressures on the European exchange rate system, Prime Minister Edouard Balladur was forced to come to the rescue of the franc on Friday with a pledge to defend the currency at all costs. In a television interview Friday evening, Mr. Balladur said the current anxiety of the franc would disappear soon. "I believe it is a temporary situation," he said. "A certain number of phenomena came into play, some of which were transitory." Earlier, a spokesman for Mr. Balladur issued a strong statement in defense of the currency, whose link with the Deutsche mark is at the core of Europe's attempts to construct a stronger monetary union. "The prime minister reaffirms his total commitment to maintain a stable franc within the European exchange rate mechanism, and that all necessary steps will be taken to achieve this goal, on which France's economic success depends," the Balladur spokesman said. The franc slipped through the symbolic level of 3.40 to the mark in nervous trading Friday, as the Bank of France intervened for the second day in a row to support the franc. Impelled by a report this week that the French recession is likely to be deeper than expected, traders who for months had seemed content to leave the franc alone jumped into action on Thursday, selling the currency heavily. The pressure was maintained Friday. At the same time, the U.S. dollar chalked up strong gains against all European currencies and the Japanese yen. This added to tensions within the exchange rate mechanism by encouraging a flight out of its weaker currencies toward the comparative safety of the key reserve currencies — the dollar and the mark. The U.S. currency shot up more than 2 percent, to 1.7225 DM, at the New York close, from 1.7016 DM at Thursday's close, and to 5.8580 francs from 5.7808. The dollar rose to 109.875 yen from 108.55. "It's back-to-reality time," said Hermann Rennerberger, economist at Berliner Handels- & Frankfurter Bank. "Although investors might switch from marks into other European currencies for a quick gain, in the long run there really is no currency in Europe that can knock the mark off its pedestal as the international reserve currency." French officials, after flirting with the idea last month that the franc might supplant the mark as the anchor currency of the European grid, have been scrambling recently to win backing from the Bundesbank in an effort to assure the stability of their currency. At the heart of the dilemma facing the French franc, analysts said, is a fresh sense among currency traders that Paris cannot afford to raise interest rates for any sustained period because of the blow such a move would deliver to the weakening French economy. At the same time, money is starting to flow into Germany, attracted by the idea that most of the worst news there has already been taken into account by the market. "In France, the problems are getting larger," said Rainer Mariani, a currency analyst at Heilaba in Frankfurt, "while in Germany the situation seems to be getting slightly better." Richard Davidson, an economist at Morgan Stanley International in London, said much of the recent heavy trading in currency markets was also being driven by questions over whether Germany's Bundesbank would ride to the rescue of the franc as it did during last fall's European currency crisis. "There have been a lot of disagreements between France and Germany lately," Mr. Davidson said. "The joker is the Bundesbank and whether they are prepared to intervene." In Tokyo, Chancellor Helmut Kohl, asked whether a drop in the franc would put pressure on the Bundesbank to lower interest rates, said there was "no cause for concern, because the franc was still in the accepted range." Currencies within the exchange-rate mechanism, which includes Germany, France and several smaller currencies but does not contain the British pound or the Italian lira, are required to fluctuate within a set range. The

See FRANC, Page 10

Pomp and Circumstance: Yeltsin Joins the G-7 Flow

By Gwen Ifill
New York Times Service
TOKYO — When President Boris N. Yeltsin of Russia arrived here to take his seat at a table Friday with the leaders of the seven major industrial nations, it seemed only a technicality that he was not a card-carrying member of their club. Mr. Yeltsin arrived here Thursday and immediately became part of the pomp, circumstance and substance of the meeting of the Group of Seven leaders, joining the others for a banquet at the Imperial Palace and a luncheon at the Akasaka Palace, and holding separate meetings with Prime Minister Kiichi Miyazawa and Pyspident Bill Clinton. Secretary of State Warren M. Christopher said that the Clinton-Yeltsin session at Ambassador Michael H. Armacost's residence had been planned as "a visit for them to both assess where Russia stands and where the world community stands in its assistance to Russia." Mr. Clinton, who seemed to accumulate considerable goodwill from his counterparts as the week progressed, acted as Mr. Yeltsin's sponsor

At the Akasaka Palace on Friday, the tricolor Russian flag was added to the stand of flags representing the seven participating countries. And Mr. Miyazawa, as this year's host, has invited Mr. Yeltsin to join the group for meetings in Naples next year. "Russia is now in many ways a bridge between the European and Asian flanks of the G-7," Mr. Clinton said at the luncheon meeting, according to one official. The official said Mr. Clinton had called for the normalization of relations between Japan and Russia. Doing his part to foster harmony in the group, Mr. Yeltsin took steps to erase some of the bad feeling between Moscow and Tokyo by meeting with Mr. Miyazawa and saying afterward at a joint news conference that he planned to return for a more formal summit meeting in October. "The process of change has been a difficult one," Mr. Yeltsin said Friday, sounding a con-

See YELTSIN, Page 4

U.S. and Japan Edge Toward Pact

Compiled by Our Staff From Dispatches
TOKYO — Trade negotiators from the United States and Japan appeared to have drawn close early Saturday to an agreement defining a new bilateral trade relationship. A U.S. official said that it was possible that an announcement would be made shortly before 10 p.m. EDT, but he said it was possible that the agreement would be announced Saturday. David Gergen, special counselor to the president, said that if an agreement was reached before the deadline, it would be a "brief pact." Mr. Clinton said at a news conference at the close of the Group of Seven summit meeting that he did not want to raise false hopes on an agreement, but negotiators talked Friday night and into Saturday to try to reach an accord. Another U.S. official, who spoke on condition he not be identified, said that Mr. Clinton and Prime Minister Kiichi Miyazawa of Japan had discussed some issues when they dined together Friday night.

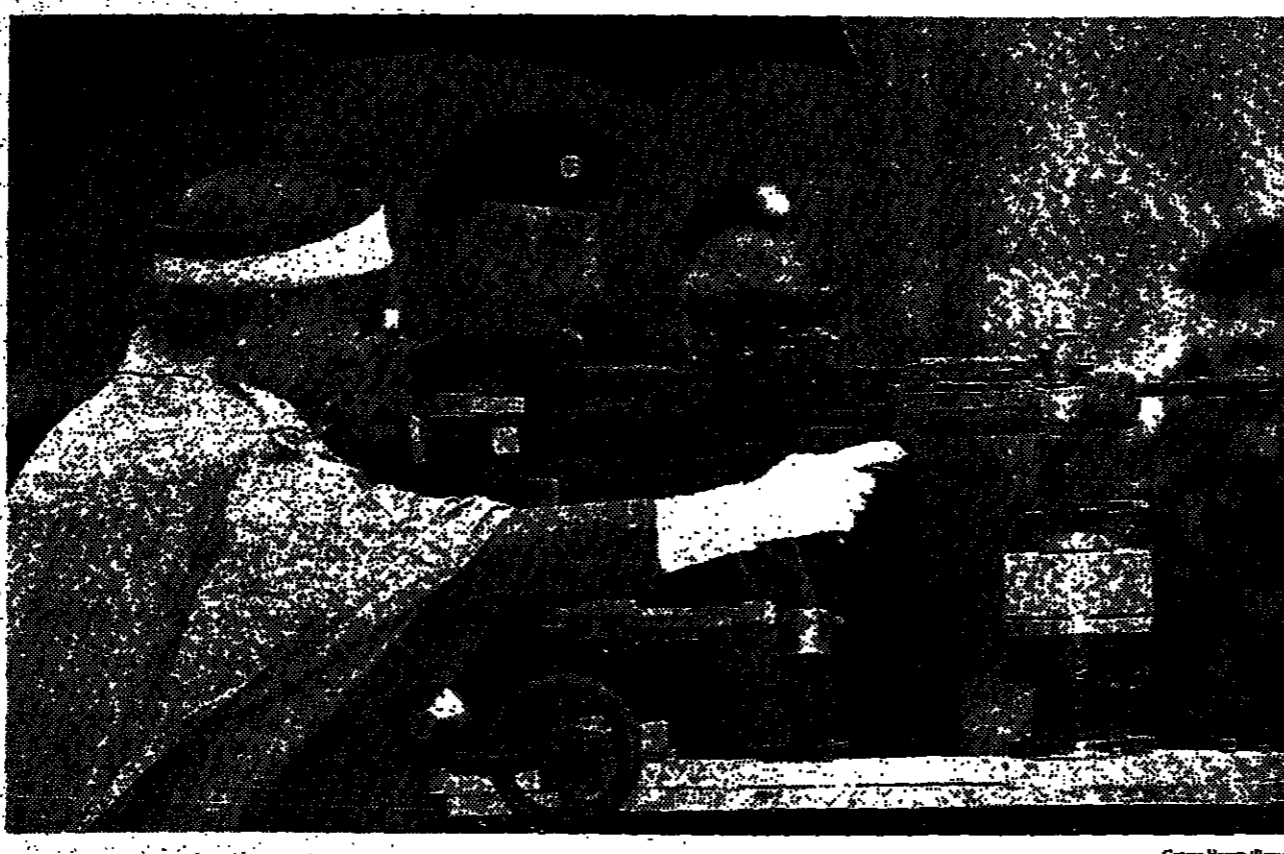
The Tokyo Summit

Clinton gets an escort at his session with U.S. business people in Japan. Page 4. Japan's lame-duck leader crosses the world trade tangle unscathed. Page 4.

New Approach Closes In on Cancer Cells

By Natalie Angier
New York Times Service
NEW YORK — After years of hopes raised and hopes dashed that a magic bullet against cancer could be invented, scientists have reported an impressive advance in using a sort of molecular sharpshooter to destroy tumor cells. In the new research, scientists have designed so-called monoclonal antibodies that seem to be considerably more effective in wiping out cancer than were previous attempts to target malignant tissue with antibody proteins. But the latest results have only been seen in rodents, and even if the new approach proves valid, much work must be done before the technique can be used on patients. Nevertheless, scientists familiar with the lengthy and often frustrating history of attempts to design proteins that specifically attack cancer cells said the new findings were extremely encouraging. They were most impressed with the ability of the monoclonal therapy to cure cancer in rodents that had well-established and widespread malignancy. In most previous animal studies of monoclonal antibodies, researchers had managed to cure or diminish only confined tumors that had barely begun to grow. "The results are startling," said Dr. Lance Liotta of the National Cancer Institute in Bethesda, Maryland, an expert in how cancer spreads. The researchers' "apparent ability to achieve cures in the face of disseminated disease is a very exciting finding," he said. The new findings, which come from three research institutes of Bristol-Myers Squibb, a pharmaceutical company, were published Friday in the journal Science. In the study, the researchers hooked up a compound to an antibody able to home in on a specific molecular target, or antigen, that is found in abundance on the surface of tumor cells. The scientists were particularly pleased that once the antibody had found its objective, it was effectively sucked inside the cancer cells, where the chemotherapy drug was then freed to kill the cells by jamming up the chromosomes within. The technique worked to cure extensive can-

See CANCER, Page 5



PARTING SHOT — Queen Elizabeth II, at a British Army Rifle Association centenary exhibition on Friday, firing the last round.

Russians Anger Ukraine By Claiming Sevastopol

By James Rupert
Washington Post Service
MOSCOW — The Russian parliament declared Friday that the naval city of Sevastopol, under Ukrainian rule, was Russian territory. This renewed a dispute that could dissuade Kiev from yielding the nuclear weapons left behind by the breakup of the Soviet Union. Leonid M. Kravchuk, the president of Ukraine, immediately dismissed the Moscow proclamation as illegal. Reuters reported from Kiev. "This decision violates all international norms and has no legal force," he said on television. "Ukraine rejects it."

Serb President Frees Opposition Leader

Belgrade (Reuters) — Serbia's president pardoned the opposition leader Vuk Draskovic and his wife, Danica, on Friday and released them from custody. President Slobodan Milosevic's decision followed pleas from many world leaders, including President Bill Clinton. The Draskovics were beaten by police when they were arrested last month during anti-government riots. Mr. Draskovic, who faced charges in connection with the protests, went on a hunger strike in custody. Mr. Milosevic said he was not dropping assault charges against Mr. Draskovic. Related article, Page 2.

Market Data Table with columns: Dow Jones (Up 6.64, 3,521.06), Trib Index (Down 0.38%, 101.72), The Dollar (New York, Ft. close, previous close: DM 1.7225, 1.7016; Pound 1.4805, 1.487; Yen 109.875, 108.55; FF 5.858, 5.7808)

Old Bones, DNA and Royal Blood Solve Part of Romanov Mystery

By John Darnton
New York Times Service
LONDON — Claiming to have cracked a 75-year-old mystery, British scientists said Friday that advanced forensic techniques had proved "virtually beyond doubt" that bones unearthed in a Russian forest two years ago were those of Czar Nicholas II and his family. The scientists used specially adapted procedures to draw out genetic material from old bones and to compare the DNA with samples from known living relatives of the czar's family. Among three people who donated blood for the cause was Prince Philip, whose maternal grandmother, Princess Victoria of Hesse, was Czarina Alexandra's sister. "We are more than 98.5 percent certain that the remains are those of the Romanovs," said Dr. Peter Gill, who headed the research team at the government's Forensic Science Service laboratory at Aldermaston, near Reading. Another tantalizing riddle — whether any of the Czar's children somehow survived to carry on the royal line — was not put to rest by the announcement. But it might be soon, the scientists indicated. Now that they have established a royal genetic data base, so to speak, samples from royal pretenders can be matched and authenticated or disqualified, they said. The group has already obtained a bit of hair from Anna Anderson, a woman who turned up in Berlin in 1920 and insisted until her death in the United States in 1948 that she was Anastasia, Czar Nicholas's youngest daughter. Similar samples could be taken from other self-styled descendants, such as Prince Alexis II d'Anjou de Bourbon-Conde Romanov-Dolgoruky, who lives in Spain and traces his lineage to Maria, another of the Czar's daughters. After the Bolsheviks seized power in 1917, Czar Nicholas, Czarina Alexandra and their five children were sent into exile in eastern Russia. The following year, on the night of July 16, they were shot in the basement of a house in Ekaterinberg, on the orders of Lenin. Contemporary accounts said that the bodies of the two youngest children, Anastasia and Alexei, the heir to the 300-year-old Romanov dynasty, were buried while those of the Czar, his wife and their three oldest daughters, Olga, Maria and Tatiana, were buried. In 1991, a mass grave was discovered in Ekaterinberg with nine bodies. They were thought to be those of five members of the imperial family, three servants and the family doctor, Sergei Botkin. Russian anthropologists tentatively identified the remains as belonging to the imperial family, a conclusion that was later supported by a team of six American experts. But to make sure, Dr. Pavel Ivanov, a Russian DNA specialist, brought some of the bones for genetic testing to the genetics laboratory in Britain in September. Dr. Gill noted that there were other corroborating bits of information to show they were on the right track. The height of the skeleton fit that of the Czar. Dental fillings of gold and platinum suggested that the bones were aristocratic. There were at least six bullet holes and the bullets recovered were from a revolver of that period. Taking all of this together, a statistical analysis showed a probability no lower than 98.5 percent that the bones belonged to the czar and his family, he said. The identification made it more likely that the remains could be given a royal burial.

Seoul Fears U.S. Strategy Could Tempt North to Attack

By Michael Richardson
International Herald Tribune
SINGAPORE — South Korea, facing an increasingly unpredictable military threat from the North, is worried that a new defense strategy being developed by the United States may encourage Pyongyang to launch an all-out attack, officials say.



A South Korean riot policeman catching up on his sleep Friday on a bus before going on duty to protect the U.S. Embassy.

Clinton Says U.S. And Allies May Act In Iraq Standoff

Compiled by Our Staff From Dispatches
TOKYO — President Bill Clinton said Friday that the United Nations standoff with Iraq over weapons inspection was serious, and he raised a possibility of joint allied action.

South Koreans Arrest Students Protesting Visit

The Associated Press
SEOUL — The police arrested 500 students here Friday when they went into the streets to protest a visit by President Bill Clinton.

CANCER: Targeting Tumor Cells

cancer patients remains to be tested.
In the ideal world of magic-bullet therapy, the monoclonals would recognize only cancer tissue, and this would have a big advantage over current anti-cancer drugs, which kill normal cells almost as well as they do cancer cells.

U.S. Asks Mexico to Help With 659 Chinese at Sea

By Ann Devroy and Al Kamen
Washington Post Service
WASHINGTON — Three weeks after President Bill Clinton announced stronger efforts to curb the smuggling of Chinese into the United States, he has decided to ask Mexico to accept 659 Chinese still on ships and to allow the United Nations to process them.

4 Russian Troops Die Near Leipzig

LEIPZIG — Four Russian soldiers were killed in a shooting incident near Leipzig on Thursday night, the police said.

Body Hurtles From the Sky

PARIS — A human body came hurtling into Bernard and Denise Bisson's garden just north of Paris, and the couple said Friday that they believed it was a stowaway aboard an airplane.

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INTERNATIONAL Herald Tribune

Modest Steps in Tokyo

Mickey Kantor, the U.S. trade representative, declared the trade agreement announced by the industrialized countries in Tokyo...

protectionist opposition has been ferocious. The leaders did not touch trade in the service industries or agriculture...

Jakarta's Needless Burden

First Bill Clinton, reversing Reagan-Bush policy, joined a tough resolution in the United Nations criticizing Indonesia on human rights...

and regional affairs, Indonesia ordinarily evades the heavy criticism this part of its policy deserves. President Suharto has profited substantially from Western favor...

A Further Duty to Haiti

Getting the Haitian military to agree to a timetable for returning President Jean-Bertrand Aristide to power is a considerable achievement...

continue to intimidate and even eliminate Aristide supporters while it still can, to influence key political decisions starting with the choice of a new prime minister...

Other Comment

An Energetic Start on Asia

In his first trip abroad as president of the United States, Bill Clinton has been occupying center stage in Tokyo...

tent trade surplus with the United States. In the Waseda speech, Mr. Clinton was careful to reiterate the U.S. commitment to the long-standing security and political relationship with Japan...

G-7: Flawed Analysis, Sterile Remedies

By William Pfaff

PARIS — The Group of Seven meeting in Tokyo has echoed to conventional analysis of what is wrong with the world economy...

The countries that benefited most were Germany and Japan: the two which had lost the most during the war, but also the two which before the war had been the most dynamic and ambitious...

disappointment. The Thatcher years have left Britain in a mood of unprecedented pessimism. Now even Japan's boom has crashed in scandals...

Clinton Sees Beyond Japan, and That's Good for All

By Hobart Rowen

WASHINGTON — In Tokyo on Tuesday, just before the start of the economic summit meeting...

meet him in Seattle this fall "to discuss what we can do to continue to bring down the barriers that divide us and to create more opportunities for all."

Ms. Stern, president of a consulting firm in Washington, said in a recent speech that "the Asia-Pacific region represents the best prospect for U.S. exports."

ident. Clinton appears to recognize. The authors of the Carnegie report made the point that the Reagan and Bush administrations tended to overlook Japan's key role in East Asia...

Kim the Reformer Is Out on a Long Korean Limb

By Donald Kirk

SEOUL — The anti-corruption campaign led by President Kim Young Sam is creating tremors in South Korea. As the net brings in bigger fish, many people are asking whether the president can continue to alienate influential military officers...

anti-graft squad said Friday that it had found evidence that two ex-defense ministers and four former senior military officials took more than \$2 million in bribes from arms dealers seeking lucrative contracts.

critics that he is still a man of principle. By eradicating graft, he evidently hopes to create a nation strong enough to compete with Japan and the West, while respecting democratic ideals.

form in 1987, is reputed to have left office in February as a very rich man. Mr. Kim seems determined to live up to his moral precepts. But how long will the targets of his righteous wrath be willing to submit to public embarrassment?

Goading and Girding For a Go at Sir Ross

By David S. Broder

WASHINGTON — With President Bill Clinton outsummitting, Washington has been trying to divert itself with speculation about its No. 1 critic, Ross Perot, and his millions of followers...



The writer, who is preparing a book about Korean business, contributed this comment to the Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: No Bastille Day

PARIS — The Paris Municipal Council today [July 10] passed a resolution "inviting" the people of Paris to abstain from associating themselves with the official fête of July 14...

1918: Masters of Moscow

BALE — According to the "Frankfurter Zeitung" the Bolsheviks are masters of Moscow and have triumphed over the Social-Revolutionary movement, the committee of which continues to defend itself in

Challenges Worthy of Ex-Heroes

By Anthony Lewis

JOHANNESBURG — "They have made the transition from heroism to politics," a lawyer said. He was speaking of Nelson Mandela and the others who spent years in prison or exile or jeopardy for raising apartheid.

The ANC made those steps to democracy possible by concessions at the negotiating table. It agreed to regional power, for one, and to a multi-party government of national unity for five years after the election...

Violence will surely be a threat to the new government. There are millions of guns in private hands, mostly white. Black divisions are serious. Chief Mangosuthu Buthe, who tried to block the setting of an election date, has warned that unless his views on the nature of a new political system are entrenched now in a constitution, "then we'll have the same experience as Angola."

There is deep resistance within the establishment to any attempt to apply full disclosure across the board. Such a move might reveal still more hidden assets in the hands not only of legislators and bureaucrats but of thousands of businessmen.

The Municipal Theatre, which is strongly barricaded. The Social-Revolutionists have sent men to parley with the Bolsheviks and offer surrender on conditions which the latter have refused, while demanding unconditional surrender and insisting upon severe punishment of the insurgents.

1943: Sicily Attacked

WASHINGTON — [From our New York edition:] Invasion of Sicily by English, American and Canadian forces under command of General Dwight D. Eisenhower was announced early today [July 10] by the War Department. Landings were preceded by an air attack. Naval forces escorted the assault forces and bombarded the coast defenses during the assault. Eisenhower broadcast an announcement to the people of France, telling them the invasion was "the first stage in the liberation of the European continent. There will be others. When the hour of action strikes, we will let you know."

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Poker Game With Old Master Sketches

International Herald Tribune

LONDON—There is a unique thrill to the Old Masters drawings game, with its shifting labels and its fluctuating degrees of certainty. Some would see it as a sophisticated form of lottery in which the element of chance is corrected to a limited extent by superior knowledge.

On Tuesday, Christie's sale in which a Michelangelo sketch set the current record for any Old Master drawing at £4.18 million (\$6.3 million) repeatedly verified the axiom. Within 10 minutes, those attending watched one drawing going up 26 times in price from a previous appearance, 73 years ago, and another remaining unsold at one seventh of the prize it realized in New York in 1985.

The success story concerns a drawing that will always give rise to a variety of opinions. The head of a woman

SOUREN MELIKIAN

looking up was drawn after an ancient Greek sculpture but with eyes and hair inspired from life. This makes it much more difficult to detect a given artist's hand. On April 15, 1980, it came up at Christie's and was summarily dismissed as work from the "Circle of Cavalier d'Arpino." In auction house jargon, "circle of" means "from the period and faintly suggestive of" so-and-so. The price was a noncommittal £200.

This week everything changed. The drawing was elevated to the status of an Annibale Carracci. Reading the fine print, it was difficult to determine how much faith the cataloguer put in his new label. He cautiously notes that "the attribution to Annibale was advanced by Aidan Weston-Lewis." The buyer, New York dealer Paul Weiss, presumably shares this view. Did his opponents? The price of £5,520 does not seem high for a drawing by the great Caravaggesque painter.

The passage of time was not nearly as kind to a "Marriage of the Virgin" from the "Circle of Domenico Zampieri, il Domenichino." On Jan. 16, 1985, it came up at Sotheby's New York and rose to \$4,125. This week, Christie's gave it the thumbs down. A £500 to £800 estimate points to limited esteem on the expert's part. It crashed at £350.

Far more spectacular antics could be observed on the same day. Among the more striking works of art was a sketch in oil on paper dealing with the theme of "The Pentecost." Draped men seated in the foreground look up at a cluster of women, higher up in the vertical composition. The figures are only suggested, with shadows for the eyes, giving the figures a ghostly presence. On June 15, 1983, Sotheby's had sold it as a Domenico Tintoretto for £880.

Although the oil technique on paper was much used by Tintoretto, Christie's sees this study as the work of Palma il Giovane, who learned the technique from Tintoretto. As such, it would be much rarer than a Tintoretto. The publication of the artist's complete oeuvre by S. Mason Rinaldi has revealed the existence of an altarpiece with a composition of this type, strengthening the case for Palma il Giovane. "The Pentecost" sold for £3,050. The new identity apparently had the desirable effect.

Those who try their hand at the big game often know as the art market should bear in mind, however, that the excitement of discovery quickly dies



Pontormo sketch, estimated at £800 to £1,200, soared to £34,500.

down. On July 1, 1986, Christie's offered in a London sale the red chalk study of a bearded man's head after the Antique. The experts strongly felt that it was by Salvatiore but had no specific evidence to offer. The drawing was prudently "attributed to Salvatiore" — which in plain English means "possibly by Salvatiore" — and received a modest £4,000 estimate.

The trick worked. Two connoisseurs convinced that it really was a Salvatiore engaged in a furious bidding contest. Carlo Croce, a Philadelphia surgeon, got the prize for a hefty £32,400. In the event, the head was duly included by Louisa Mortari in her monograph on Salvatiore, solidifying the educated guess into doctrinal opinion. But that did not help much. This week, it sold close to the Christie's middle estimate for £24,150, involving a substantial loss for the vendor.

The owner must have found it the more irksome as another Salvatiore, which was a discovery (almost), more than doubled its high estimate, ending up at £12,650.

This is a circular design on the theme of the Zodiac sign Scorpio, probably done as a project for some metal display dish. The sketch is full of fun. It was included in the catalogue of an exhibition called "Il Primitivo del Disegno" in Milan in 1980 but not many would remember that outside Italy. Christie's did not refresh their memories. The New York collector who bought the delightful Salvatiore design, the design must have had all the novelty of a previously unrecorded work.

All that pales into insignificance compared with the

surprise caused by a sketch unassumingly attributed to the "Circle of Jacopo Carucci, called Pontormo (1494-1557)." Inscriptions reading "Pontormo" can be seen on both sides of the sheet. But the £800 to £1,200 estimate hardly suggests that Christie's experts took these very seriously. Indeed, the extreme rarity of genuine Pontormo drawings makes it obvious that they dismissed them.

Nor is there much to the drawing that invites ecstatic scrutiny. On one side, a draped woman is seen turning her head toward the viewer. Her neck is too long. A child is outlined high up, close to the woman, without relating to her. In the bottom left corner, a crouching character is done like a doodle. Add that the sheet is made up of three joined scraps of paper and shows some bad stains.

As bidding went up to £2,500, few gave it much attention. Eventually, a young dealer often entrusted with bidding commissions chimed in. Then, more surprisingly, a London dealer, Anna Maria Edelstein, took up the challenge. Between them they ran up the sketch to £34,500 with the sale premium — 30 times the middle estimate.

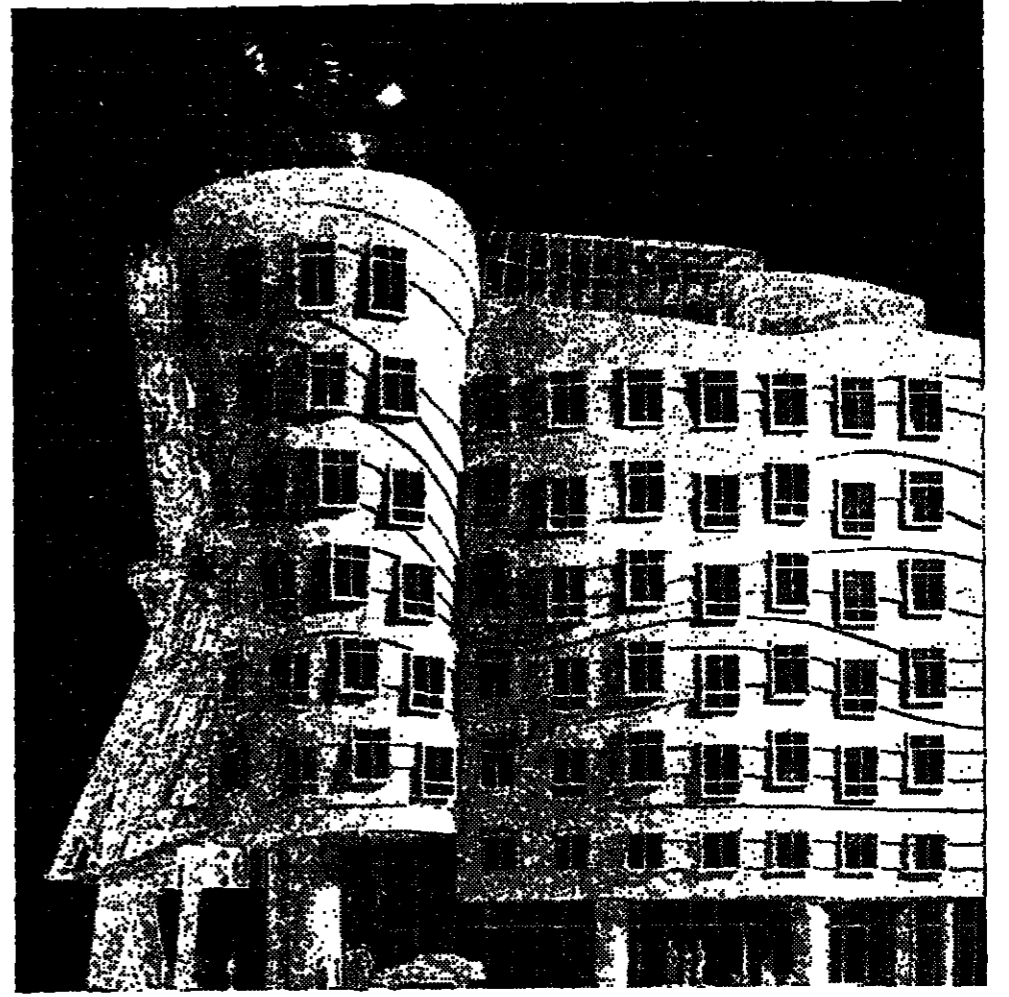
The little fracas is a typical Old Master drawings scene occurrence. Acting by proxy to conceal their identities, Jean-Luc Baroni, the brilliant director of Colnaghi Drawings, bidding through the young dealer, had conceded defeat to George Goldner, the curator of Old Masters at the J. Paul Getty Museum.

Baroni said in an interview that to him the Pontormo touch is glaringly obvious. He cites the chalk strokes running quickly down, the fragment of a head in profile done in red chalk on a fragment pasted on the back. Too little is left to reveal the subject, but the handling is "typical beyond doubt." Not least, the drawing is connected to a large painting, the altarpiece in the Visdomini Chapel in Florence. "The Woman in drapes is a first idea for the figure on the right in the altarpiece," he said. The crouching putti is "directly related to four surviving sketches of putti made for the altarpiece." He adds grimly: "The Getty has one of them." And the dumfries? "Pontormo is expressing his thoughts rather than actually drawing."

Noel Amesley, Christie's top man in Old Master drawings, says that he "seriously considered" the possibility of a Pontormo attribution and discussed it with the vendor, "an experienced collector" who had bought the drawing many years ago "in case there might be something in it."

The real irony lies elsewhere. Had the drawing been catalogued as a Pontormo, it might well have failed to sell. The estimate would have been set somewhere around £25,000 to £30,000. Those who competed over it this week with such zest, deprived of the pleasure of having cleverly spotted the otherwise undetected work of the great man, would have focused on the limitations of the drawing and found it expensive.

Indeed, were the prospects of a brilliant piece of sleuthing seem remote, beauty can be inexpensive. A marvelous "Adoration of the Shepherds" vaguely ascribed to the "North Italian School, mid-16th century" has so far defied every expert's perspicacity. Sold for £14,040 on July 1, 1986, it went up to £19,550 this week. An old inscription, "F. Primateus," yields no clue. And where there is no promise of an ego trip, enthusiasm is kept within reasonable limits.



Model of Gehry's proposed building on the banks of the Vltava.

Frank Gehry in Prague Is City Ready for 'Fred and Ginger'?

By Burton Bollag
New York Times Service

PRAGUE—Plans to erect an imaginative office building designed by the iconoclastic American architect Frank Gehry have provoked sharp opposition in Prague from those who fear that idiosyncratic contemporary architecture will deface the city's celebrated beauty.

The plans have also revived a perennial and highly emotional debate: Should urban districts with a rich architectural heritage be preserved intact, or can today's architects make a valid contribution alongside the work of their Romanesque, Baroque, and Art Nouveau predecessors?

The Gehry design calls for an eight-story building on an elegant Art Nouveau embankment along the Vltava River, which runs through the center of Prague. The structure would be playfully original in its undulating facade, ending in two semi-attached towers.

One of the towers, curved and gradually widening at the bottom, would be wrapped in a layer of glass raised above its surface, like a woman in a dress. Indeed, the design has been nicknamed "Fred and Ginger" by friend and foe alike, because the two towers, one wearing a glass gown and the other gracefully masculine, evoke the image of Ginger Rogers dancing with Fred Astaire.

If city officials give final approval this summer, as expected, construction could begin this fall and be completed by the end of next year.

The site happens to be next to the apartment building where Vaclav Havel, president of the Czech Republic, lives. After the communist regime was swept from power in late 1989, the building, originally owned by the Havel family, was returned to Havel. As an owner of neighboring property, Havel was asked by the city to comment on the project. He wrote to say he approved. Those close to the president, who decorates his offices with Expressionist art, say he is actually an enthusiastic supporter.

Backers see the project as "a gift to the city." Although few critics have challenged the design, they argue that it simply doesn't belong in the heart of Prague, where centuries of architectural styles have been harmoniously preserved.

"I love the design — it's very serious — but for this site it's bad architecture," said Zdenek Jiran, a Prague architect.

Vladimir Slapeta, head of the architectural school of the Czech Technical University, said that in-

novative styles like the "functionalism" of the 1930s created a successful "connection between the new and the old." Gehry's design, he said, clashes with its turn-of-the-century surroundings. "We have to look for reflection, not sensation." At a recent public hearing on the project, much opposition appeared to melt away. A series of often elaborate models showing the evolution of the design were on display. "After seeing the presentation, I can't be counted among the opponents anymore," said Josef Stuk, director of the State Institute for the Care of Historic Monuments. "I think this project will not only not impair Prague, it will enrich it."

The stretch of embankment where the new building is to stand is already imbued with a sense of whimsical creativity from the Art Nouveau structures there. One, originally the headquarters of an insurance company, has an extravagant corner entrance facade with a regal balcony halfway up its seven stories. Two largehuman figures are above that, and a giant eagle looks down from the top.

The new Gehry project was ordered by Nationale-Nederlanden, the largest Dutch insurance company, which bought the site in December 1991. The rather small piece of choice real estate was derided empty in 1942 by a bomb dropped from an Allied plane, probably by accident, the Czechs say. The building is expected to cost about \$8.5 million.

Its top floor, which is to be recessed, is for a restaurant. Most of the rest of the structure is for office space; the glass-covered tower will house conference rooms.

Nationale-Nederlanden is planning a second, much larger project on the other side of the river: a commercial complex, designed by the French architect Jean Nouvel. At the beginning of last year, while

he was in Geneva as a member of the jury for the Aga Khan Prize for Islamic architecture, Gehry was approached by Nouvel and a Nationale-Nederlanden representative.

"My first reaction was the surface was incredibly small," said Gehry, who is based in Santa Monica, California. "How could they afford to bring someone from L.A.?" For an American developer, it wouldn't make sense.

When he met Gehry, Havel brought up the "Fred and Ginger" image, but Gehry did not like the label. "I had no intention of importing Hollywood kitsch into Prague," Gehry told a public hearing.

For Gehry, as for his critics, the design stands or falls on how well it relates to its surroundings. "I try to fit into the 19th century," he said, "without copying 19th-century language."

THE idea for the curving tower came from Vlado Milunic, a Yugoslav architect who lives in

Prague and has been Gehry's partner on the project. The curve fulfills a specific purpose. In an accident of the local landscape, the main road, Reslova Street, which goes down toward the river alongside the building site, appears to lead right into the water. The road has to make a last-minute bend to link up to the Jirasek Street. By bending out into the street at its bottom, the tower helps to correct this visual oddity by appearing to deflect the street toward the bridge.

Milunic's idea struck a sympathetic chord with the American. "I'm interested in a sense of movement in my work," Gehry said. "Like the bronze Indian Shiva statues or the Greek marbles. They look like they're moving."

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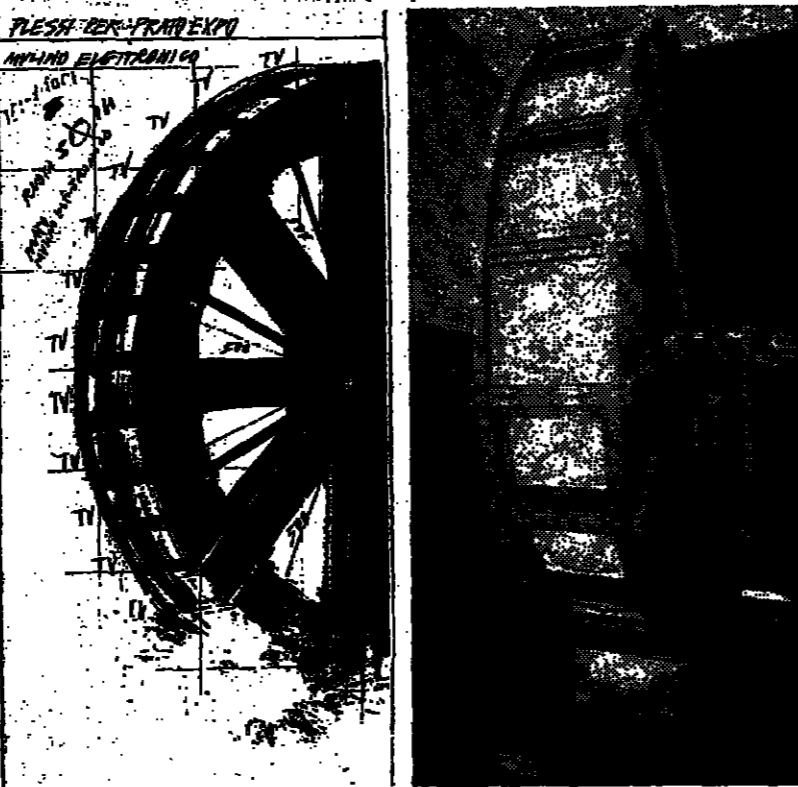
Fabrizio Plessi: Video and Water Wizardry

By David Galloway

DORTMUND—Three bright neon letters are stood on their heads above three aquarium-like tanks of water. Mirrored there, the neon becomes legible as "ART." The word shifts and ripples as though the water were stirred by a light breeze, evoking the familiar fascination of reflected images and their fragile illusion of reality. This time, however, neither illusion nor reality submits to a simple definition. The masterful trompe l'oeil effect of Fabrizio Plessi's "ART" is achieved through videotapes, one for each letter, which are transmitted over three video monitors. The aquarium-like shapes have often proved useful to an artist who asserts that "video and water are accomplices. Both are fluid, transparent and mobile."

The bluish shimmer of the television screen, a bane to some video artists, only heightens the impact of a work like "Mare di Marmo," in which a frothy sea seems to churn across 100 monitors. Positioned "face up" on the floor and surrounded by slabs of unpolished travertine marble, the television screens show a single, simultaneous image that calls up a vast expanse of the sea. The electronic reductionism is typical of Plessi, whose interest lies in aesthetic-philosophical stances rather than technological derring-do. A single spot of rushing water, playing across 60 monitors arranged in a circle, can provoke wonder, awe and meditation.

Yet the 53-year-old artist, who has combined video and water for a quarter of a century, consistently undercuts mere "pretentiousness." The toughness of his approach is made clear by the current retrospective at Dortmund's Museum am Ostwall (through Sept. 26). This is smaller and less dramatic than the retrospective held in Cavallion in 1986, as part of the Avignon Festival, but its compactness brings Plessi's achievements into sharp focus. Thus, the inherent romanticism of "Mare di Marmo" is contrasted with the



"Tempo Liquido," Plessi drawing and finished water mill sculpture.

'break social reality of "Bronx." Here, behind a rusted grating, 26 face-up monitors are surrounded by rusted plates of iron. Seemingly thrust into each screen is the blade of a long-handled shovel, a real object whose video-taped reflection waves in the viscous brown water. The dimly lit ensemble, overlaid by a faint, indistinct humming, conjures spaces of violence and confinement, frustration and apathy.

Though less typical than such meditative

ensembles as a video mill wheel revolving above a trough of real water, "Bronx" strikes a socially critical tone that is by no means foreign to Plessi's oeuvre. His "Caryatids of the Poor," for example, consists of column-like stacks of battered suitcases that reek not just of poverty but of dispossession, banishment, flight.

Plessi builds other kinds of towers, as well — of books, bricks, shoe boxes or stones, with part of the accumulation substituted by an

electronic look-alike. Such works produce double takes, then dialogue. Many installations employ sand or salt, wood, coal, even bundles of lavender, though water remains the artist's trademark.

Born in Reggio nell'Emilia, Plessi has lived in Venice since his student days, and he now has a atelier in a 15th-century palace on the Grand Canal. Throughout the years, he has proposed various absurdist schemes for solving local high-water problems — including giant sponges and bathtub-style plugs that can be pulled for drainage.

Above all, Plessi celebrates the flow and cycle of water as a metaphor of life and a malleable medium for the sculptor, as outlined in his own "Aquiobiography."

The ingenious simplicity of Plessi's works is matched by flawless craftsmanship. The carpentry of a wooden cupboard, the steel banding encircling stone fragments, the grating set into an inclined walkway with "water" rushing below: all are executed with a love for detail and respect for the banal materials favored by Italy's Arte Povera movement. The precision, as well as the poetry, begins with the detailed drawings that precede each new project. Technically exact, they are also sensuously lush, chiaroscuro works that reveal immense graphic skill.

A show of the drawings is on view at Cologne's Waltraf-Richartz-Museum through July 25. Though secondary to the installations, the drawings offer confirmation that Plessi is the leading video-sculptor of our day. In comparison to his rich, evocative, subtle compositions, the works of video pioneer Nam June Paik read like Rubé Goldberg variations. At Cologne's new Art Academy for the Media, Plessi has been appointed to a professorship officially designated for the "humanization of technology." The job description might well serve as a motto for the virtuous oeuvre Plessi has produced in the last quarter century.

David Galloway is an art critic and freelance curator based in Wuppertal, Germany.

BOOKS

THE GODS!
By Tom Holt. 296 pages. \$19.95.
St. Martin's.
Reviewed by Esther M. Friesner

IN the beginning, Prometheus took fire from the gods and gave it to man. Now Tom Holt, author of such hilarious works as "Who's Afraid of Beowulf?" and "Expecting Someone Taller," takes the gods for all they're worth in his latest, "Ye Gods!" Holt brings the gift of laughter, and as he will tell us (and as Jupiter would no doubt agree) laughter is a far more incendiary device than tame old fire any day.

Holt gives us an entertaining where-are-they-now look at the divinities of Greco-Roman mythology. Such old, familiar faces as Apollo and Minerva and Mars are Pol and Min and Ma to one another. The oracle at Delphi has become a glorified office anteroom, the pythess of Apollo a nice girl from Brooklyn with great secretarial skills. Olympus isn't what it used to be, either. The gods have packed up and moved, bag and baggage and thunderbolt, to the sun. Here they

while away the eons playing The Game. It's not too hard to guess who the playing pieces turn out to be. The notion of the gods using mankind as their own private toy box isn't new, but Holt's presentation of the divine players is.

The monuments of classical Greece used to be brilliantly painted before centuries wore away the colors. Also, the cultural authorities of the 18th century decided that the unremarkable white stones they saw must be what the Greeks originally intended. Plain white marble was therefore decreed sacrosanct, and neoclassical art and architecture had to conform to the same colorless model. It was pretty, but it wasn't a realistic portrayal of true classical art at all. Over the centuries, the gods of Greco-Roman myth have been similarly drained of color and life by misplaced "reverence" for all things classical.

Holt has given the gods a much-needed breath of life, and it's a breath that comes out as laughter. In his cosmogony, it's not Prometheus's gift of fire that risks humanity so much; it's the far more dangerous gift of laughter. Laughter, it is said, is the weapon of the gods. It is the weapon that the gods must fear. It cuts them down to size better than a

thousand enchanted swords. For this offense, Prometheus is chained to a rock in the Caucasus, and an eagle is assigned to eat his liver every day, as in the conventional myth.

Also, as in conventional mythology, Furies continue to menace mortal women. Danae became the mother of the hero Perseus, Alcmena bore him Hercules, but when he takes up with a stolid British middle-class housewife and makes her the mother of Jason Derry, a hero for our times, he gets more than he bargained for.

But are our times the times that can accommodate a hero? Strange snakes that are someone's pets and there's the insurance claim to file; slay large beasts while you're still a toddler (heaven knows where he gets them!) and your mortal father has to bury the carcasses in the backyard, completely upsetting the garden; outstrip all others in athletics and you get a severe lecture from the games master about good sportsmanship. No, it isn't easy to be a hero today. It becomes less so when Jason must go forth, as per Jupiter's decree, and meet his Destiny.

Holt takes hold of all the heroic conventions with a skillful hand and performs a sparkling miracle of his own: Does he make you think about them. Does a hero like being a hero? Does he get hungry or out of sorts while going forth to meet his Destiny? Does a hero ever get wise to the fact that he's as much a pawn as the rest of us? And when he does get wise, what can a hero do about it? He still has to face Jupiter, who has decided that it's past time to rid the

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NYSE

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IBM	115.00	+0.25
MSFT	55.00	+0.12
ORCL	45.00	+0.10
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DISC	25.00	+0.05
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THE INDEX

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China Tightens Credit in Bid To Cool Growth

Compiled by Our Staff From Dispatches BEIJING — Against 25 percent industrial growth in the first half of 1993, two major Chinese banks announced Friday that they would tighten credit, recall high-risk loans and encourage savings.

ge 13 IFIC Page 9

Hong Kong Feels a Chill China's Austerity Plan Stirs Concern

By Kevin Murphy International Herald Tribune HONG KONG — Its destiny more closely linked with China than ever, Hong Kong is worried that the spillover from Beijing's plans to cool an overheating economy may slow its own boom down, too.

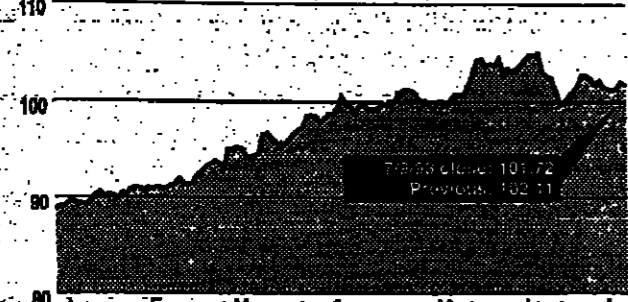
Germans Take to Stocks

Hints of Recovery Fuel Share Boom Despite Recession

By Brandon Mitchener International Herald Tribune FRANKFURT — The German stock market is suddenly back in favor with investors, even though the German economy remains deep in recession.

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Table with 3 columns: Energy, Utilities, Finance, Services. Rows include P/E, P/B, P/S, % change.

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ECONOMIC SCENE

Third World Health Care: World Bank Offers Cures

By Peter Passell New York Times Service NEW YORK — "Government needs to promote greater diversity in the financing and delivery of health services. Regulation can strengthen private insurance markets by improving incentives for wide coverage and cost control."

Murdoch Calls Off Effort to Buy N.Y. Post

Compiled by Our Staff From Dispatches NEW YORK — Rupert Murdoch on Friday abandoned his effort to buy the financially ailing New York Post newspaper after he failed to come to an acceptable deal with the unions.

Clinton Seeks NAFTA Aide

Compiled by Our Staff From Dispatches WASHINGTON — The Clinton administration is seeking someone to lead the effort to get the North American Free Trade Agreement through Congress.

Hard Times, New Chiefs Shake U.S. Computer Giants

At Apple, Nuts and Bolts Versus Granola

By John Markoff New York Times Service SAN FRANCISCO — The era of Silicon Valley's Magic Kingdom may finally be drawing to a close.

At Digital, Talk of Recovery Fills the Air

By Glenn Rifkin New York Times Service MAYNARD, Massachusetts — Philip Caldwell, former chairman of Ford Motor Co. and a longtime director of Digital Equipment Corp., recalls the moment a few weeks ago when he felt a rare surge of confidence in the computer maker's future.

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Table with multiple columns for currency rates and interest rates for various countries and currencies.

EUROCURRENCY DEPOSITS

Table with columns for Eurocurrency deposits in various currencies (Dollar, Swiss Franc, etc.) and interest rates.

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Table with columns for key money rates for various currencies and interest rates.

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MARKET DIARY

Inflation Concerns Ease, Lifting Stocks

Bloomberg Business News NEW YORK — U.S. stocks advanced Friday for the third straight session as lower Treasury bond yields and softer commodity prices signaled easing inflationary pressures, traders said.

The Dow Jones industrial average closed up 6.64 at 3,571.06, after surging 38.75 points on Thursday.

Declining common stocks outpaced advances by 8 to 7 on the New York Stock Exchange. Trading was moderate, with about 237 million shares changing hands on the Big Board.

The inflationary threat is exaggerated and higher Treasury bond prices reflect that, said Ronald Doran, director of institutional trading at C.L. King & Associates in Albany, New York.

Bonds rebounded as commodity prices eased, cooling jitter about rising inflation. The Commodity Research Bureau's spot price index rose 0.03 point to 216.01 after earlier trading as high as 217.79, the highest since November 1991.

The benchmark 30-year bond was up 4 1/2 points to yield 6.64, down one basis point from Thursday.

"Daily volatility is being determined by bond prices," which in turn will take their cue from wholesale and consumer inflation figures for June to be reported next week, Mr. Doran said.

Philip Morris rose 3/4 to 49 1/2 amid speculation it may spin off its tobacco business, announce a big share buyback and that recent discounting had won more market share for Marlboro cigarettes.

General Motors, the third most active issue on the NYSE, rose 1/4 to 47 1/2. Ford Motor gained 1/4 to 52 1/2 and Chrysler rose 1/4 to 47 1/2.

Automakers have benefited from expectations that earnings "should be okay even in the slow-growth type of economy we've got," Mr. Doran said.

Walt Disney Co. recovered 1/4 to 35 1/2. Kidder Peabody raised Disney to a "buy" one day after its Euro Disney unit warned of losses.

Adobe Systems Inc. rose 2 1/2 to 59 1/2. The software company announced a 2-for-1 stock split.

USAir Group Inc. fell 1/4 to 14 1/2 as the airline said its revenue passenger miles fell 10.5 percent in June about 2.996 billion.

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N.Y. Stocks

Declining common stocks outpaced advances by 8 to 7 on the New York Stock Exchange.

The inflationary threat is exaggerated and higher Treasury bond prices reflect that, said Ronald Doran, director of institutional trading at C.L. King & Associates in Albany, New York.

Bonds rebounded as commodity prices eased, cooling jitter about rising inflation. The Commodity Research Bureau's spot price index rose 0.03 point to 216.01 after earlier trading as high as 217.79, the highest since November 1991.

The benchmark 30-year bond was up 4 1/2 points to yield 6.64, down one basis point from Thursday.

"Daily volatility is being determined by bond prices," which in turn will take their cue from wholesale and consumer inflation figures for June to be reported next week, Mr. Doran said.

Philip Morris rose 3/4 to 49 1/2 amid speculation it may spin off its tobacco business, announce a big share buyback and that recent discounting had won more market share for Marlboro cigarettes.

General Motors, the third most active issue on the NYSE, rose 1/4 to 47 1/2. Ford Motor gained 1/4 to 52 1/2 and Chrysler rose 1/4 to 47 1/2.

Automakers have benefited from expectations that earnings "should be okay even in the slow-growth type of economy we've got," Mr. Doran said.

Walt Disney Co. recovered 1/4 to 35 1/2. Kidder Peabody raised Disney to a "buy" one day after its Euro Disney unit warned of losses.

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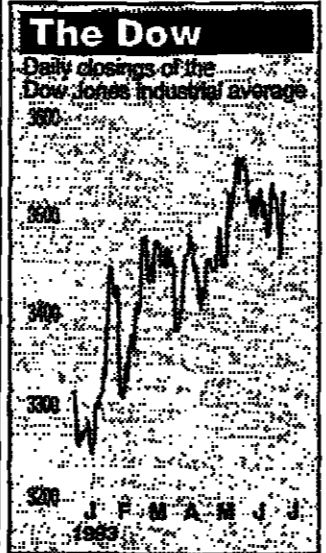


Table with columns: Vol, High, Low, Last, Chg. Lists NYSE Most Active stocks including Goldman Sachs, Citicorp, and American Express.

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Table showing NASDAQ Diary: Gainers, Losers, Total Issues.

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GERMAN GOVERNMENT BOND (LIFFE)

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U.S. / AT THE CLOSE

Fed Confirms It Took Tighter Stance

WASHINGTON (Combined Dispatches) — The Federal Reserve System decided to lean toward higher interest rates, which might be needed to head off higher inflation, in a meeting May 18, the Fed said Friday.

The policymakers on the Fed's Open Market Committee voted 10-2 in favor of a bias toward raising interest rates, according to the minutes of the meeting.

Since that meeting, the FOMC has met again. Tuesday and Wednesday of this past week.

"Wage and price developments over recent months were sufficiently worrisome to warrant positioning policy for a move toward restraint should signs of intensifying inflation continue to multiply," the Fed policy panel decided at the May meeting.

Inflation soared during January, February and April, then receded in May. June figures are to be reported next week. At the close of the May 18 meeting, the Fed had the inflation data for April. (Bloomberg Reuters)

Harsco to Acquire Top Competitor

CAMP HILL, Pennsylvania (Bloomberg) — Harsco Corp. said Friday that it had agreed to buy MultiServ International of London for about \$380 million, an acquisition that would make Harsco the leading international provider of specialized steel-mill services.

MultiServ will be merged into Harsco's Heckerly unit, which provides services in metal reclamation and slag processing, recycling and environmental technologies. MultiServ operates in 21 nations and has annual revenue of about \$350 million.

Broken Hill Pty. is negotiating with a U.S. company to build a small steel mill in the United States. (Bloomberg)

Southern Union Buys Missouri Gas

TOPEKA, Kansas (Bloomberg) — Western Resources Inc. said Friday that it reached a definitive agreement to sell its Missouri natural gas properties and operations to Southern Union Co. for about \$360 million.

The properties serve about 460,000 customers in Kansas City, Joplin, and St. Joseph, Missouri. Southern Union, of Austin, Texas, now has about 425,000 natural gas customers in Texas and Oklahoma.

Southern Union will pay for the purchase through a debt offering and a rights offering of common stock, Western Resources said.

Keating Given 12 Years in S&L Case

LOS ANGELES (NYT) — Charles H. Keating Jr., 69, the leading figure in the U.S. savings-and-loan crash, was sentenced to 12 years and 7 months in federal prison for defrauding Lincoln Savings & Loan Association and its investors.

The judge doubled the recommended sentence, calling Mr. Keating's crimes "aggravating in proportion." He is serving a 10-year sentence based on the collapse of American Continental Corp., which rendered virtually worthless junk bonds bought by thousands of investors.

Westinghouse Sells Stake in Hotels

PITTSBURGH (Bloomberg) — Westinghouse Electric Corp. said Friday that it had sold its stake in 14 hotels to Davidson Hotel Partners LP of Memphis, Tennessee, as part of its liquidation of real estate to pay billions of dollars in bank debt.

Davidson Hotel Partners paid Westinghouse between \$90 million and \$100 million for the hotels, said an official of Davidson Hotel Co., a partner in the joint venture.

For the Record

Hilton Hotels Corp. has submitted proposals to develop two hotel-casinos in Greece, one an existing hotel in downtown Athens and the other in the nearby resort of Vouliagmeni. (Bloomberg)

Ohio's public retirement funds can now invest more of their \$60 billion of assets in stocks and, for the first time, buy derivatives and international securities. (Bloomberg)

FRANC: Market Keeps Pressure On

Continued from Page 1 franc's floor against the mark is set at 3,430 francs to the mark, with the midpoint at 3,358 francs.

On Friday, the franc closed at 3,4008 to the mark in New York trading.

The longer-term dilemma confronting Paris is simple. Many analysts are convinced that France will

Foreign Exchange have no choice but to cut interest rates sharply sometime this fall in an effort to revive growth. The conservative government, traders argue, cannot afford to run the risks that the old Socialist government did in sacrificing economic performance to defend the currency.

If the Bundesbank cuts rates by the end of the month, the franc will follow. But if Frankfurt fails to deliver lower rates later this year, analysts say, Paris may decide to abandon the link between the franc and the mark to give itself freedom to maneuver.

"Fears that the European monetary system is likely to face a turbulent September are not a bad bet in our opinion," economists at Swiss Bank Corp. wrote in a recent re-

port. "We are increasingly convinced that other Continental European economies are now becoming weaker than Germany. France in particular is now starting to experience a sharply deteriorating environment."

While little has changed in the economic fundamentals, the downward revision this week in an official forecast for the French economy may have triggered some of the current market action. The National Statistics Institute predicted a 1.2 percent fall in French gross domestic product this year, compared to its earlier forecast of a 0.8 percent decline.

Bond Is Oversubscribed France's new government bond has been nearly three times oversubscribed and is likely to raise 110 billion francs (\$18.8 billion), Mr. Balladur said on television.

The government had originally said the issue aimed to raise 40 billion francs to boost government revenue ahead of the receipts of privatizations starting this autumn.

Mr. Balladur said he was planning to use some of the money raised by the bond issue to reimburse businesses on value added tax more quickly.

Hungary, IMF Near Accord

BUDAPEST — Hungary and representatives of the International Monetary Fund said Friday that they expected to reach a new credit accord soon.

"Hungarian authorities and the IMF delegation do not see any obstacles which would prevent the agreement from being concluded within a short time," a joint statement from the IMF, the Finance Ministry and the National Bank of Hungary said.

An IMF deal would release around \$700 million in fresh loans to Hungary this year and end, ending a freeze on new credits imposed by the IMF last year to punish Budapest for overshooting its budget deficit target.

Talks were aided by parliament's vote this week to raise value added tax rates and adopt a stringent 1993 supplementary budget, the statement said.

WORLD STOCK MARKETS

Table showing World Stock Markets: Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich.

U.S. FUTURES

Table showing U.S. Futures: Grains, Metals, Livestock, Food, Commodity Indexes.

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Talks Fail To Advance Steel Pact

GENEVA — A round of talks on a proposed world steel accord broke down after one-and-a-half days without any of the big issues being discussed, especially by the United States and the European Community, officials said Friday.

"There was certainly no progress, totally the opposite," an EC source said.

The official said the U.S. side had claimed it was unable to negotiate on the major issues, such as subsidies and dumping, at this time because U.S. countervailing and anti-dumping duties ordered by the Commerce Department were still being reviewed by the International Trade Commission.

The trade commission has 45 days as of June 21 to rule whether subsidies and dumping by other steel producers, particularly EC members, are damaging the U.S. domestic steel industry.

Major Lifts Growth Forecast

LONDON — Prime Minister John Major predicted Friday that the British economy would grow more strongly this year than the Treasury expected.

Mr. Major, in a radio interview in Tokyo, said he foresaw economic growth ranging from 1.5 percent to 1.75 percent in 1993. In March, the Treasury forecast growth of 1.25 percent.

The prime minister's prediction of stronger growth follows forecasts of higher growth by a number of leading independent economists.

Analysts said they expected some irritation at the Treasury because Mr. Major's statement was made without any warning; the Treasury is seen as sensitive to the timing of new economic forecasts.

Adam Cole, economist with James Capel, said: "It is going over the heads of the chancellor and his officials, and is bad form in that sense. But the actual numbers should be fairly consistent with the Treasury's internal forecasts."

In an upbeat message, Mr. Major portrayed Britain as the one bright spot in Europe.

"In continental Europe, the interest rate level is higher than their economies can bear," he said. "They are at the moment moving into recession, we have been through that. We are now coming out of recession."

On average, leading independent economists expect the British economy to grow about 1.7 percent in 1993, and 2.6 percent in 1994. The average growth rate over the past four decades is 2.25 percent.

Slovakia Devalues Koruna to Aid Export

BRATISLAVA, Slovakia — The Slovak central bank on Friday announced a 10.4 percent devaluation of the koruna, starting Saturday, in order to make the country's exports more competitive.

The koruna opened trading on Friday at 29.626 to the U.S. dollar. The central bank quoted the new rate for the resumption of trading on Monday at 33.062.

The devaluation is expected to contribute up to 7

percentage points to the annual inflation rate. Gross domestic product is expected to decline at a slower rate than previously believed, officials said.

In June, the Slovak government signed an agreement with the International Monetary Fund setting conditions for a \$90 million loan. The agreement was based on a balanced budget and a deficit not exceeding 5 percent of the country's gross domestic product, or \$535.7 million.

Thorn Discusses Selling Unit to GEC

LONDON — Thorn EMI PLC. in another step toward its goal of getting rid of its noncore businesses, said it was talking with General Electric Co. about the possible sale of its defense electronics operation.

Analysts said such a sale could raise £140 million to £160 million (\$210 million to \$240 million) and would be consistent with the strategy that caused Thorn last month to sell its lighting unit to a Bahrain bank.

Mustapha Omar at the Williams de Broe brokerage said that the purchase price should not be a problem for GEC.

"It's a drop in the ocean to GEC, which is sitting on a cash pile of £2 billion," he said. GEC is not related to General Electric Co. of the United States.

He characterized the prospective sale as "part of the process of consolidation of the defense industry."

That process appeared to falter

Monday when GEC said it had ended talks on collaboration with British Aerospace PLC.

"I don't think the BAe trail has gone completely cold," said another analyst, who asked not to be identified. "I think something will happen."

A Thorn EMI spokesman said the Thorn Security & Electronics unit employed about 4,300 people and that its main operations involved battlefield and aircraft radar, electro-optics and fuses for weaponry.

Thorn, which among other interests owns the music publisher Virgin Music, had a pre-tax profit of £28.9 million in the year ended in March on sales of £445 billion. Thorn has sold 60 companies since 1987 and now makes 82 percent of its profit from its music and video rentals operations.

Some analysts have speculated that Thorn might eventually split those two operations to maximize shareholder value. (Reuters, AFP)

Exchange	Index	Friday Close	Prev. Close	% Change
Frankfurt DAX	1500	1500	1495	+0.33
London FTSE 100 Index	3000	3000	2995	+0.17
Paris CAC 40	2100	2100	2095	+0.24
Amsterdam CBS Trend	116.70	116.00	115.00	+0.80
Brussels Stock Index	6,646.44	6,584.87	6,584.87	+0.92
Frankfurt DAX	1,797.41	1,783.70	1,783.70	+0.77
Frankfurt FAZ	693.90	687.17	687.17	+0.98
Helsinki HEX	1,251.82	1,258.47	1,258.47	-0.13
London Financial Times 30	2,229.28	2,227.80	2,227.80	+0.06
London FTSE 100	2,843.20	2,845.90	2,845.90	-0.09
Madrid General Index	258.36	258.78	258.78	-0.15
Milan MIB	1,205.00	1,201.00	1,201.00	+0.33
Paris CAC 40	1,985.70	1,980.57	1,980.57	+0.27
Stockholm Affarsvecklingen	1,352.00	1,338.98	1,338.98	+1.02
Vienna Stock Index	381.98	377.78	377.78	+1.09
Zurich SBS	822.99	821.00	821.00	+0.12

GERMAN: Stock Prices Boom as Investors and Analysts Look for Corporate Earnings to Lead Recovery

Continued from Page 9

ing again, production is up, the consumer confidence index has stabilized, companies are saying they'll return to profitability as soon as the third quarter — and then came the dollar."

A rise in the dollar, which Friday hit a two-year high at the Frankfurt fixing at 1.7205 Deutsche marks, traditionally benefits Germany's export-oriented industries because their sales in the United States will be worth more marks when the proceeds are brought back home.

The dollar's rise, together with investors' growing disenchantment with other European markets and moves at the Group of Seven summit meeting in

Tokyo that could help end the impasse in world trade talks inspired stock prices' sharp rise late this week.

German companies, meanwhile, are already benefiting from falling interest rates, the dollar's rise and productivity gains, Mr. Davidson of Morgan Stanley said.

The upper house of Germany's parliament on Friday cut the top corporate income tax rate to 47 percent from 53 percent. Those and other factors will eventually translate into higher dividends for shareholders, analysts argue.

In addition, Mr. Davidson said, German stocks are benefiting from a shift in sentiment toward neighboring markets.

Mr. Grebe of Bank Julius Baer said there were several reasons to believe German stocks would justify higher prices in the future even if they have reached a short-term plateau.

First, he said, German banks and other big investors are becoming more professional, meaning more willing to take risks. "The markets are reacting earlier, they are more impatient than before, because professional investors are under a growing pressure to perform," he said, citing the influence of Anglo-Saxon fund managers and other institutional investors.

In addition, German stocks used to be penalized because of the country's position on the frontier with

Communist Eastern Europe, he said. "There was a risk factor weighing on German stocks," Mr. Grebe said, that became lighter when the Berlin Wall fell, although it still lingers to some extent as the countries to Germany's east struggle with capitalism and democracy.

Finally, he said, German companies are becoming more open to investors, which in the long term should lead to higher dividend payments. He cited the disclosure by Daimler-Benz AG, the first German company to announce a listing on the New York Stock Exchange, that it managed 4 billion DM (\$2.35 billion) in hidden reserves. "We suspect there are similar treasure chests at a lot of German companies," he said.

APPLE: A Businesslike Boss Meets the T-Shirt Culture

Continued from Page 9

ny Next Inc. The memo ends, "Please forward this to anyone who looks dazed, crazed, or fazed."

Kate Pansley, an Apple spokeswoman, said that neither Mr. Spindler nor any other company official was available for comment on the matter.

But she said that despite the salary freeze and pay cuts, Apple still ranked in the top 10 percent of Silicon Valley employers in terms of pay and benefits. And the opportunity to work on innovative technologies, she said, would continue to attract people to Apple.

"There are a lot of reasons to come here," Ms. Pansley said. "We offer a six-week sabbatical every five years and excellent health benefits. But we have to be more focused on the business right now."

That new emphasis has led many industry analysts to suggest that business pressures will ultimately change the company.

"Apple has been known for a long time in the Valley as the velvet handkerchief because they pay extraordinarily well," said Denise Chaffin, chief of Digital

Media, an industry newsletter. "That kind of money conferred the freedom to think big thoughts. Now they're there to make hardware as cheaply as possible. That's a very different culture."

Still, many current and former employees say that Mr. Spindler is more in tune with the original Apple culture than Mr. Sculley, whom Mr. Jobs recruited from PepsiCo Inc. in 1983.

One former high-ranking executive, speaking on condition of anonymity, said that during the power struggle between Mr. Jobs and Mr. Sculley in 1985, Mr. Spindler, then an executive in Apple's European operations, flew to Cupertino to speak in defense of Apple's way of work and life.

And Apple's culture has always tended to resist change, another former executive said.

"The true Apple culture — not the one that is hyped in magazine articles — changes extremely slowly," said Jean-Louis Gasse, who ran Apple's research and development division until he left in 1990 in an apparent rift with Mr. Sculley.

DIGITAL: A Year After Its Low, Recovery in the Air

Continued from Page 9

in important European markets such as Germany. And inside Digital, where employees are acutely aware that an additional 5,000 to 10,000 layoffs are in the offing, tensions remain high.

One of Mr. Palmer's most important tasks is to repair Digital's sales operations, which has been called one of the least productive in the industry. Sales representatives, previously compensated entirely by salary, will be on a commission basis by September.

Mr. Palmer has also impressed customers, such as Du Pont and Bankers Trust, through personal visits. But most customers are also reserving judgment.

"One thing I see that's different from the past is that Bob really does want to listen," said Cinda Hallinan, vice president of Du Pont Information Systems. "At the end of the day, the proof will be whether they can translate this into value for us as customers."

Mr. Palmer, who said he understood the continued

skepticism, said the company was restructuring amid a major product transition.

Digital is shifting from its successful but aging VAX line of minicomputers and work stations to powerful systems based on its Alpha microprocessor, a chip that uses the increasingly popular technology known as RISC, for reduced instruction set computing.

Digital has bet heavily on its Alpha-based personal computers and Microsoft Corp.'s new Windows NT software operating system to spark revenue growth.

Many analysts predict that NT software will be a big hit. But they say the software is more likely to be used with computers based on Intel Corp.'s chips than on Alpha-powered systems. Mr. Palmer, however, says such predictions are premature.

"I usually takes three to three and a half years before a new architecture sells at the same level as the previous one," Mr. Palmer said. "So we are setting our expectations rationally."

Very briefly:

- Hoechst AG and Schering AG plan to merge their agrochemical businesses into a 60-40 owned operation with worldwide revenue of more than 3 billion Deutsche marks (\$1.76 billion).
- France's National Assembly, as expected, passed legislation to privatize 21 state-controlled companies, on a straight party-line vote.
- Euro Disney SCA's stock fell a further 6.5 percent after Thursday's news of heavier-than-expected losses last quarter and this, the new fall, to 55.60 francs, brought the decline over two days to 18.5 percent.
- Rolls-Royce Motor Cars is "on course" toward its goal of returning to profitability this year, its parent, Vickers PLC, said, citing improved sales in the Pacific Rim region.
- The EC Commission said consumer confidence in the Community rose in May to its highest level since January, to minus 24 on its aggregate confidence indicator.
- Switzerland's consumer price inflation dropped to a 3.1 percent annual rate in June from May's 3.6 percent.

Mannesmann Skids in Half

DUSSELDORF — Mannesmann AG, the engineering group, announced Friday that it had opened a 1993 first half in the red, with operating losses in all its divisions in the first half of the year.

The chairman and chief executive, Werner Dieter, told shareholders at the company's annual meeting that group results would be "clearly negative."

He did not provide figures.

He linked the outcome to "extremely weak business development" and to "continuing price depression in the first quarter."

Mr. Dieter said scheduled write-offs at Mannesmann's plant equipment operations also undercut earnings.

The company also announced that orders in the first half fell 7 percent, to about 14 billion Deutsche marks (\$8.2 billion DM), while sales were flat at 12.8 billion DM.

Mr. Dieter said sales orders and sales dropped 15 percent in its car products division, 6 percent in the electrical products division, 14 percent in the steel-pipe division and 3 percent in the trading division. (Bloomberg, AFP)

NASDAQ Friday's Prices									
Symbol	High	Low	Open	Close	Div	Yld	PE	High	Low
AA	104.25	104.00	104.10	104.10	0.00	0.00	15.00	104.25	104.00
ABB	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ABC	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ABT	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ABX	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
AC	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACB	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACC	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACD	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACE	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACF	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACG	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACH	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACI	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACJ	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACK	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACL	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACM	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACN	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACO	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACP	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACQ	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACR	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACS	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACT	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACU	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACV	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACW	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACX	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACY	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75
ACZ	100.00	99.75	100.00	99.75	0.00	0.00	15.00	100.00	99.75

Dow Jones Seeks Stake In ABN

By Kevin Murphy
International Herald Tribune

HONG KONG—Dow Jones & Co. said Friday it hoped to buy a share of Singapore-based Asia Business News network, a deal likely to increase competition in the region's burgeoning satellite television market.

"We haven't closed a deal, we're still in discussions," said Peter Skinner, senior vice president for Dow Jones. "It's premature to talk about what we'll be doing there in the future."

If successful, Dow Jones, which publishes the Wall Street Journal and owns Telestar Financial Information News, would establish its first network broadcasting presence in Asia, joining Rupert Murdoch's News Corp., Time Warner Inc., Turner Broadcasting Systems and others in the competition to build multimedias operations where two thirds of the world's potential viewers live.

"The concept, if the story comes to fruition, is a powerful mix," said Tom Harje of Harje Cross Wilson, a strategic marketing consultant in Hong Kong.

ABN is now controlled by Television New Zealand Ltd. and the U.S. cable television giant, Telecommunications Inc., with equal 36 percent stakes. Business News Network, 18 percent, and a group led by the Singapore Broadcasting Corp., with 10 percent.

"ABN has been approached by a number of parties about taking a position in ABN," said David Nicholson, assistant director for corporate development at TVNZ. "We've been talking with them for several months, but none of the plans have been finalized. They will be resolved sooner rather than later."

Concerning Dow Jones' proposed entry into the network, Charles Baker, an analyst with Morgan Stanley in New York, said, "They're selling their information product on Telestar, the newspapers and magazines, but they don't complete the circle without television. It's a logical step given their missed opportunities in the U.S."

Dow Jones' entry into broadcasting in Asia could open opportunities for cross-selling of advertising on ABN and in the group's Asian holdings, the weekly Far Eastern Economic Review said last Friday in its Wall Street Journal.

"It would be interesting. No one else in Asia is doing it right now," said Sam Johns, media director at J. Walter Thompson International in Hong Kong. "It would also be a way to protect their print side. ABN will be going right after regional print advertisers, so this would be a good defensive move."

However, an executive close to the deal said the move to bring Dow Jones into the partnership might scupper a distribution arrangement now being discussed by ABN with Asia's dominant satellite broadcaster, STAR-TV.

Exxon Presses Indonesia \$40 Billion Gas Project Is Wavering

Compiled by Our Staff From Dispatches

JAKARTA—Exxon Corp. said Friday that it was continuing negotiations with Indonesia on a \$40 billion liquefied natural gas project despite Jakarta's insistence that the talks are "dead."

Pertamina, the Indonesian state oil company, said a day earlier that development of the field in the South China Sea with Exxon would not proceed because the project was not economically feasible.

But an Exxon official in Jakarta said, "We're still talking to Indonesia and will continue to talk to Indonesia."

And the local unit of Exxon issued a statement saying, "We are currently in conversation with Indonesia on this matter."

Indonesia is the world's largest producer of liquefied natural gas, and ships more than 20 million metric tons of the supercooled fuel to East Asia each year.

The project with Exxon was to have played a key role in the renewal of a series of 20-year LNG supply contracts with a number of utilities and industrial customers in Japan.

Miner and Energy Minister Ida Bagus Sudjana caught the industry by surprise when he told reporters Thursday that the talks had been canceled. He made the announcement to reporters during a tour of oil and gas facilities at Banyuwangi in the eastern coast of Kalimantan, the Indonesian section of the island of Borneo.

"We have decided that we will not continue the talks with Exxon," he said.

The minister added, "The project has been canceled because it is not economic for the government at present. The project will not give benefit to us. But we may be able to develop it for ourselves in the future."

In May, a senior Pertamina official said Exxon and Indonesia had agreed on one of the biggest pending projects in the negotiations: how to share the gas. He said Exxon was getting a larger than usual share because of the huge cost of the project.

The current problem appears to be the difficulty of disposing of massive amounts of environment-unfriendly carbon dioxide in the field. Indonesia said that it had not been able to reach an understanding with Exxon on environmental and legal issues related to the project.

Located 720 kilometers (450 miles) northeast of Singapore in deep water, the Natuna field contains an estimated 6.3 trillion cubic meters of gas, of which 72 percent is corrosive carbon dioxide.

The remaining 1.4 trillion cubic meters of gas was to be recovered, supercooled and shipped as liquefied natural gas to utilities and industrial energy consumers in Japan, Taiwan and South Korea.

Exxon planned to strip the carbon dioxide from the gas and then reinject the gas at high pressures into aquifers beneath the seabed. Up to 40 percent of Natuna's \$40 billion price tag was linked to recovery and disposal of the carbon dioxide.

But Indonesia and Exxon have been unable to agree on which company would be responsible for the gas once it had been put back into the ground, or who would deal with the problem if the gas escaped from the aquifers.

The two companies also were unable to agree on which one would own oil or natural gas that Exxon

The problem appears to be the cost of disposing of massive amounts of environment-unfriendly carbon dioxide in the field.

might inadvertently discover while drilling the injection wells into the undersea aquifers.

Moreover, Indonesia was believed to be reluctant to give Exxon assurances that it would not unilaterally change the complex financial terms of the gas development at some point in the future.

The unresolved legal issues between Exxon and Indonesia were made worse last month when potential Japanese buyers of the liquefied natural gas gave the two companies a frosty response in preliminary pricing talks in Osaka.

Indonesia had asked the Japanese to pay a premium for the gas to cover Natuna's huge development costs, including the cost of dealing with the carbon dioxide. The Japanese, industry executives said, were not interested.

Natuna, named after the nearby Natuna Islands, was expected to provide a significant source of foreign revenue to Indonesia, especially because the country's oil reserves have begun to decline rapidly.

If Natuna is indeed dead, said James Ball, a director of EconoMatters Ltd., publishers of the newsletter Gas Matters, Indonesia will be forced to meet future LNG demand by adding capacity to its two existing LNG plants. (Bloomberg, Reuters)

Nippon Steel Unit Has Currency Loss Of \$129 Million

Compiled by Our Staff From Dispatches

TOKYO—Nippon Steel Chemical Co. will have to sell assets to cover unrealized losses of \$129 million it incurred by betting the dollar would rise against the yen, the company said Friday.

The announcement, which came four months after Showa Shell Sekiyu said it had lost \$1.06 billion on similar forward currency contracts, appeared to support analysts' view that a number of Japanese companies are facing problems of this kind as the yen gains.

Nippon Steel Chemical, a subsidiary of Nippon Steel Corp., said it discovered this week that it had an outstanding balance of forward currency contracts to buy \$309.59 million dollars for 47,289 billion yen, at an exchange rate of 152.75 yen.

However, at Thursday's exchange rate, 107.05, the dollars bought are worth only 33,389 billion yen, the company said.

The dollar has plummeted against the yen since the beginning of the year, largely on the market's conviction that the U.S. government is

IBM to Open Hanoi Office

Agence France-Press

HANOI—International Business Machines Corp. was licensed by the Vietnamese government Friday to open a representative office in Hanoi, an IBM official said.

"This action marks IBM's return to Vietnam after an absence of nearly 20 years," said the official, William Howell.

He said the office would allow IBM to prepare to supply equipment and services to Vietnamese and international customers as soon as allowable under the U.S. economic embargo.

Under a provision in the embargo that allows U.S. companies in Vietnam to do limited business with one another, IBM can already help other U.S. companies setting up representative offices to purchase IBM computers. These include Bank of America, Citibank, Philip Morris Cos., Calspan Corp., and the law firm Baker & McKenzie.

Investor's Asia				
Exchange	Index	Friday Close	Free Close	Change
Hong Kong Hang Seng		7,070.61	7,122.50	+0.78
Singapore Straits Times		1,797.81	1,803.28	+0.26
Sydney All Ordinaries		1,782.40	1,782.50	+0.02
Tokyo Nikkei 225		19,877.89	19,888.57	+0.56
Kuala Lumpur Composite		726.05	735.95	+0.81
Bangkok SET		907.64	898.83	-1.01
Seoul Composite Stock		770.46	760.83	-1.20
Taipei Weighted Price		4,958.47	4,917.59	-4.27
Manila Composite		1,837.38	1,850.77	+0.41
Jakarta Stock Index		358.87	360.13	+0.13
New Zealand NZSE 40		1,774.82	1,716.49	-0.49
Bombay National Index		1,040.20	1,038.20	-0.10

Very briefly:

- The Sun Lee Jewelry (Holdings) said the booming jewelry business in China sent profit 167 percent higher to 103.5 million Hong Kong dollars (\$13.6 million), after \$8.7 million dollars, for the year that ended Feb. 28.
- Fortel Holdings Ltd., a supplier of shoes and sportswear in China and Hong Kong, saw its share price rise 11 percent on its first trading day Thursday, but unchanged at 1.42 Hong Kong dollars on Friday.
- The Philippine central bank said its reserves dipped to \$5.75 billion at the end of June, compared with \$5.90 billion the previous month, due to payments made to the Paris Club on maturing debt.
- The Supreme Court of the Philippines ruled that Asia Brewery Inc., a competitor of the popular San Miguel beer, did not violate San Miguel Corp.'s trademark when it introduced a brand called "Bea" in a bottle with a shape and color almost identical to San Miguel's.
- Hyundai workers at four of the group's units — Hyundai Heavy Industries, Hyundai Motors, Hyundai Wood Industry and Hyundai P&E — will temporarily return to work Saturday to allow for fresh talks on wage demands; employees at six other units will continue their strikes.
- Woolworths Ltd. said its share offering — through which it hoped to raise 2.45 billion Australian dollars (\$1.67 billion) — had been oversubscribed four to five times. Price details were not yet available, the company said.

COLONY: When China Cools, Hong Kong Sneezes

Continued from Page 9

(Holdings) Ltd., a metals, chemicals and fertilizer trading company. "With all the excitement in the yuan, no one in China does import commodities unless they have to."

"We welcome any restraint in currency stability as a good sign," Mr. Kwan said.

The yuan fell 25 percent after China allowed it to float in its authorized swap markets on June 1, but it has recently recovered nearly all that ground against the U.S. dollar since Mr. Zhu took personal control of economic policy. The yuan rose by 7.5 percent in Beijing's swap market on Friday.

"We were very concerned with the yuan's depreciation," said Richard Lee, vice chairman of Wo Kee Hong (Holdings) Ltd., a distributor of air conditioners and air-conditioning accessories, according to an estimate by S.G. Warburg Securities, depended on China for

CREDIT: Chinese Clamp Down

Continued from Page 9

the time had come for a dose of tough state discipline.

The two banks that announced credit tightening have enormous influence in the economy. It is likely that most other banks will quickly fall into line.

The Bank of China president, Wang Deyun, was quoted as saying real estate and securities trading companies would be cut off from credit altogether and his bank was committed to carrying out the reformation, an allusion to austerity.

However, the central bank governor and vice premier, Zhu Rongji, said that China's rapid economic development is healthy overall.

"The problems that have arisen can be solved by speeding up and deepening reform," he said Friday. "There is no need to implement an overall austerity program."

Zhang Xiao, president of the In-

HEALTH: Cures for Third World

Continued from Page 9

an easy answer is that a good chunk of the money sent to poor countries is spent on toys for the ruling classes, weapons in particular. The answer emphasized in the World Bank report is that it is very hard to deliver any service efficiently without a lot of help from free markets.

Third parties that only incidentally benefit from cost-effective outcomes — insurance companies, governments, health delivery bureaucrats — are not likely to make the right decisions.

For example, poor countries generally spend far too much of their health-care budgets on urban hospitals that offer sophisticated services to a tiny fraction of the population.

By no coincidence, much of the subsidies for medical care go to middle- and upper-income families who have the least moral claim to public resources.

AMEX Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	1993	1992	1991	High	Low	Label	CR
12.50	11.50	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	12.50	11.50	AAVE	CR
13.00	12.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	13.00	12.00	AAVE	CR
14.00	13.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	14.00	13.00	AAVE	CR
15.00	14.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	15.00	14.00	AAVE	CR
16.00	15.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	16.00	15.00	AAVE	CR
17.00	16.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	17.00	16.00	AAVE	CR
18.00	17.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	18.00	17.00	AAVE	CR
19.00	18.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	19.00	18.00	AAVE	CR
20.00	19.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	20.00	19.00	AAVE	CR
21.00	20.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	21.00	20.00	AAVE	CR
22.00	21.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	22.00	21.00	AAVE	CR
23.00	22.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	23.00	22.00	AAVE	CR
24.00	23.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	24.00	23.00	AAVE	CR
25.00	24.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	25.00	24.00	AAVE	CR
26.00	25.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	26.00	25.00	AAVE	CR
27.00	26.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	27.00	26.00	AAVE	CR
28.00	27.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	28.00	27.00	AAVE	CR
29.00	28.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	29.00	28.00	AAVE	CR
30.00	29.00	AAVE	0.00	0.00	10.00	10.00	10.00	10.00	30.00	29.00	AAVE	CR

MONEY REPORT

FIRST COLUMN

Doomsayers Forced Into Anonymity

CIRCULATING Wall Street right now is a letter that is causing considerable concern. It is a species of brokers' circular containing some cogently argued notions that, in some respects, today's share market and prevailing economic conditions are similar to the situation that obtained just before the 1929 crash.

Front-runners and Also-rans

Share prices weekly



Asia-Pacific Performance Lifts Trib's World Stock Index

By Conrad de Aenle

THE International Herald Tribune World Stock Index rose by nearly 12 percent in the first half of 1993, to 101.83, finally poking its head above water after spending much of its life below the 100 level that was assigned to it for Jan. 1, 1992.

The big turnaround from last year was in Japan, where shares rose nearly 25 percent. A 20 percent fall there was largely responsible for the world index's malaise in 1992.

The big turnaround was in Japan, where shares rose nearly 25 percent.

definition, have already enjoyed an inflow of capital into their shares, when enough of them fall out of favor, they take the index down with them.

Two industry indexes that did well and reflect the swing to cyclical are capital goods and raw materials. The first rose nearly 8 percent to 98.5. Particular strength was shown by Kvaerner, a Norwegian concern involved in shipbuilding, paper, engineering and oil.

ASIS Materials rose by 7 percent, to 98.74. Scandinavians again led the way. Shares of two Finnish forest products businesses did notably well. Repola rose 68 percent and Enso-Gutzeit was up 47 percent.

Impending tragedy in Sarajevo G7 accord still in doubt The ailing airline industry Moscow-Tokyo relations Russian economic reforms ... news events which affect all our lives. Shouldn't you be following them daily in the IHT? Subscribe and save up to 44% off the newsstand price

BRIEFCASE Lehman's Adds Play To Offshore Fund List Deutsche Bank Unit Launches Mark Fund Brokerage is Offering Stake in the 'Top 10' New Fund Targets Emerging Markets India Investment Fund Goes International

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Best Performing Mutual Funds Table with columns for Fund Name, Over one month to July 1, 1993, Over one year to July 1, 1993, Over five years to July 1, 1993. Includes details for various funds like Lehman Brothers and Deutsche Bank.

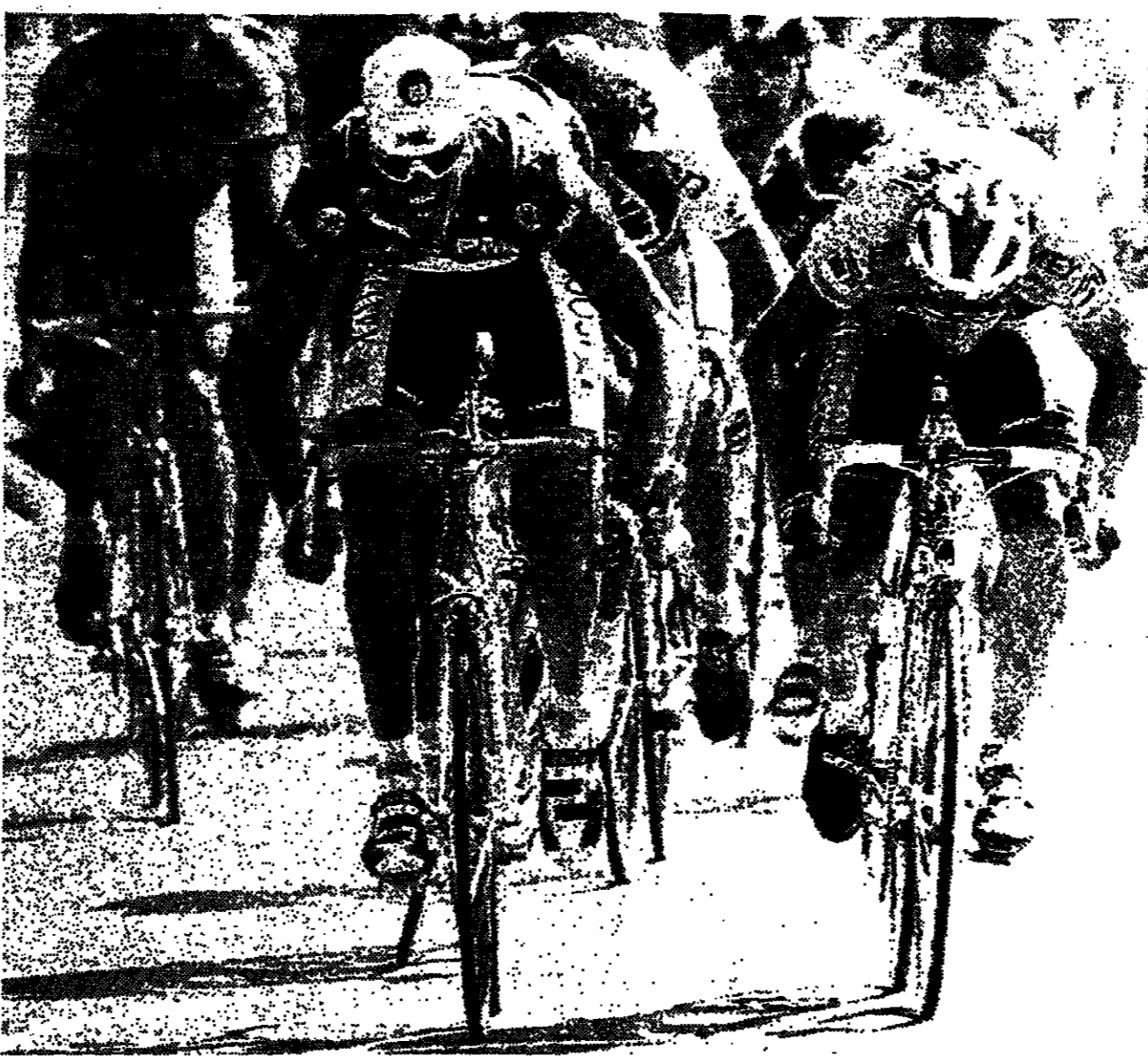
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SPORTS SOCCER

Cipollini in Yellow Despite Stage Loss

AMIENS, France — The sprinter Mario Cipollini won back the Tour de France leader's yellow jersey from Wilfried Nelissen of Belgium on Friday but was disappointed to find out he had not won the stage.

The previous record of 48.927 kph was set in 1988, when the Dutch rider Adri Van der Poel won a 38-kilometer stage from Tarbes to Pau. "The speed today was incredible," Cipollini said of the stage, raced over rolling terrain in northwestern France with a constant tailwind quickening the pace.



Mario Cipollini, left, edging Djamboljine Abdoujaparov for second place in Friday's stage, which put him back in the overall Tour lead.

Players Face Off Before Judge in French Scandal

By Barry James International Herald Tribune VALENCIENNES, France — In French soccer's equivalent of the gunfight at the O.K. Corral, three Valenciennes soccer players on Friday confronted the Olympique de Marseille player whom they have accused of bribing them to fix a match.

Marie-Christine, who alleges that she picked up the money from Eydelie. The police found an envelope containing that sum in the garden of her parents' house.

No Indurain Complex for Rominger, Just a Program to Win

By Samuel Abt International Herald Tribune PARIS — Tony Rominger is man, not computer, right? Definitely. He laughs, he sings, he feels pleasure and pain — especially when somebody with the wrong access code tries to interfere his microphone.

minger is a rarity in the sport in predicting victory. He also forecast his second successive victory last month in the Vuelta a España, the sport's third-ranked stage, or multiday, race. He is less optimistic about his chances in the Tour de France, saying only that he hopes to make it onto the three-stage podium when the race finishes in Paris on July 25.

Rockefeller has \$12 billion in the bank between them. Nevertheless, Rominger has proven that he can win races, including Paris-Nice in 1991 and Tirreno-Adriatico in 1990 and 1989 plus such prestigious classics as the Tour of Lombardy in 1992 and 1989 and the time-trial finale of the World Cup in 1991.

Both in the Tour and the Giro, Bugno and Chiappucci have shared the final victory podium with the Spaniard, who stood one step higher. None of the three has competed recently in the Vuelta, which is distant in prestige to the French and Italian races.

Another summer problem is that, unlike most racers, Rominger much prefers the cold and even the rainy cold to heat. So far the Tour has been moving clockwise around France under blue skies and a sweltering sun.

SIDELINES

Injured Seles May Miss U.S. Open

NEW YORK (AP) — More than two months after being stabbed in the back, Monica Seles still can't hit a tennis ball and might not be able to defend the U.S. Open title she has won the past two years, according to her agent.

Doctors have told me there's just no way to know," the agent, Stephanie Tolleson, said Friday. "She's continuing her rehabilitation, and there's no real effective way to anticipate when she'll be ready to play again."

NBA to Meet With Jordan's Accuser

NEW YORK (AP) — The National Basketball Association will meet Monday with the San Diego businessman Richard Equinast to discuss his allegations that Michael Jordan was a compulsive gambler who lost \$1.25 million to him in golf wagers in 1991.

English Fans Win Swedish Damages

STOCKHOLM (AP) — The Swedish attorney general ordered the government on Friday to pay damages to 12 British soccer fans who were arrested in a crowd of suspected hooligans.

SCOREBOARD

BASEBALL

Table with Major League Standings showing team names, wins, losses, and percentages.

Thursday's Line Scores

Table with American League and National League line scores for Thursday's games.

Baseball

Table with National League and American League results for Friday's games.

Baseball

Table with Japanese League results for Friday's games.

Tennis

Table with Wimbledon and Swiss Open tennis results for Friday's games.

Transactions

Table with baseball transactions including trades and signings.

Parnevik Retains Scottish Lead, But Stewart Gains

GLENEAGLES, Scotland — Payne Stewart, who confirmed on Friday that he had a heart condition, shot a day's best 67 to take over second place behind the leader, Jesper Parnevik of Sweden, in the third round of the Scottish Open.

Players Face Off Before Judge in French Scandal

Marie-Christine, who alleges that she picked up the money from Eydelie. The police found an envelope containing that sum in the garden of her parents' house.

Advertisement for the International Herald Tribune, promoting a subscription offer with the headline 'LIVING IN THE U.S.? NOW PRINTED IN NEW YORK FOR SAME DAY DELIVERY IN KEY CITIES'.

Advertisement for Belle Epoch The Escort Service, listing services and contact information for various locations like London, Paris, and New York.

Advertisement for International Classified, listing various services such as escorts, guides, and travel agencies.

DAVE BARRY

The Slithering TV

MIAMI — Technology is improving every facet of our lives. Take the face of urinals. Not too long ago I was with my friend Roy in a hotel bar in Anaheim, California, and Roy went into the men's room and came back to report that he couldn't figure out how to flush the urinal. "Plus," he said, "it's sending me messages."

So I went in there, and sure enough, instead of a flush handle there were some colored lights and a panel with little electronic letters that said "SYSTEM ON." It was the Urinal of Tomorrow. Probably there's a training course you can take to learn how to operate it, but neither Roy nor I had done this. We waved our hands at the panel, in case there was some kind of sensor in there, but the urinal did not flush. Then we tried walking away from it.

Another facet of our lives being improved by technology is television. You young people will be shocked to learn this, but in my youth, back in the 1950s, when Dwight Eisenhower was president and mastodons roamed the earth, we had to change TV channels BY HAND. Yes, our TV set, which I believe was powered by steam, was housed in a humongous wooden cabinet with large doors that opened dramatically to reveal a screen about the size of a lady's wristwatch. When we wanted to change the channel, we had to walk all the way to the set — sometimes in our bare feet — and manually turn a knob.

Today, thanks to technology, we have advanced solid-state color television sets equipped with cable, so that instead of being forced to choose among just a few fuzzy channels, we can't change channels at all, because we can't find the remote control. You'd think the control would always be somewhere near the TV set, but our regular turns up as far away as New Zealand. Apparently remote controls have a biological urge to roam, hoping to locate remote con-

Mickey Rooney, 73, Is Still a Child Star

By Alex Witchel

NEW YORK — Let everyone else in the world spend time and money trying to free his inner child. Mickey Rooney's is already free. You might even say it needs a spanking. Listen: "My autobiography, 'Life Is Too Short,' got to be No. 5 on the best-seller lists and Random House sold the rights in England for all of \$10,000. Can you believe that? So I wouldn't do anything for them, no promotion, nothing. My original title for the book was 'Me.' But then they called and said Katie Hepburn wanted to call her book 'Me,' so I let her.

"I've written seven novels, and without trying to blow myself up in any respect, I'm a damned good writer. I'm sick and tired of celebrity books. 'Sophia' — I know Sophia didn't write it. Told-to books just bore me. Well, so much for lovable Andy Hardy. But wait. The flip side of Rooney's hand is the good boy, the grateful boy, who learned very early what it meant to follow studio rules and be the team's star player. Rooney has just joined the cast of 'The Will Rogers Follies' in the supporting role of Will's father. Between fittings and rehearsal, during a quick lunch at an Indian restaurant, he eagerly promotes the play. As he speaks, you can almost see Louis B. Mayer nodding in approval. Let's put on a show? Hell, yes, Rooney is not only thrilled and honored to be acting in the greatest American musical in the history of the world (since 'Sugar Babies,' of course, his 1979 Broadway hit) but he actually mentions the name of every one of the show's creators. Fast. You can clock him at under three minutes for the whole spiel, start to finish.

"Do you know, you're sitting with the only man alive who worked with Will Rogers," he says proudly, referring to the 1935 film "The Country Chairman." "He told me: 'You handle yourself very well. You know your lines. You don't interfere with mine. You know how to have fun with the script. Your performance makes mine better.'"

Does Rooney mind being a replacement on Broadway? Most actors prefer to originate a role, although two years into its run, the other principals are replacements, too, including Larry Gatlin, who plays Will. "This seems to be a family show and I'm proud to be in it," Rooney says. "It's like Will said to me, 'Mick, please do the show.' It sounds a little esoteric, but true. And Tommy Tune asked me to do, so where was I to go? I'm direly in love with doing

anything for my family, who is the American public. I'm a bum who wants to be a small part of anything."

At 73, Rooney's face inspires. There are pouches now under his blue eyes, but you can still see the enthusiasm and optimism that endeared him to generations of moviegoers. He made his first film, "Orchids and Ermine," in 1927 and completed shooting on his latest two weeks ago. It is "The Revenge of the Red Baron," a horror film co-starring Laraine Newman and produced by Roger Corman. Before that, Rooney starred in "Lend Me a Tumor" in Chicago, and he will rejoin the production of that show in San Francisco after his six-month run in "Will Rogers."

As he goes to call his wife, who is at the apartment he owns in midtown, his walk is something between a run and a waddle. He rolls. The matre d'hôtel smiles and says, "He has a lot of energy for his age, running around like a bullet. Does he know who this man is? He shakes his head. "But he seems a very pleasant person," he says.

When the puri arrives, Rooney ogles the huge puffed bread. "Am I gonna wear this, or what?" It starts sinking in the middle. "You mean to tell me that wasn't silicone?" he says, and when he gets a laugh, he's encouraged to go on. "People don't realize the great stars I brought to the fore," he says. "Sammy Davis Jr., for one. I found the Will Maston Trio in a colored theater in Baltimore. And I brought Red Skelton to MGM. I directed his test. I told Louis B. Mayer I'd find the funniest man ever seen. And the rest is history."

"I also found and brought to the fore Marilyn Monroe. It was at Ray Anthony's party, he was a trumpet player, a band leader. Everybody wanted to jump on her because so I took her under my wing."

"I said, 'Norma, we're going to have to change your name.' And God love her soul and her body, she didn't have a chance. She was a very strange lady. But I said, 'You're definitely a Marilyn.' And we were talking and my phone rang and it was my writer friend Monroe Manning. And I said 'I'd call him back. And then I froze. And she said, 'Who was that?' And I said, 'I was just talking to your last name.'"

Does he miss the studio system? "I'm never bitter about it," he says. "The heads of the studios now are what, 11 or 12? I expect any day for Macaulay Culkin to take over one."

Did Rooney like "Home Alone"? "I didn't see it," he says. Why not? His voice is sharp. "I was working."

It may be difficult for people under 30



Back on Broadway, he says, "I've had my day at bat. I've no delusions of grandeur."

to understand just how big a star Rooney was in his childhood. He made his debut in vaudeville at 18 months with his parents, Joe Yule, a comic, and Nell Carter, a dancer. He acted in his first feature film at 7 when he was cast as Mickey McGuire, a character based on a cartoon strip. He made 78 of these short films until he outgrew the role at the age of 12.

Then he signed with MGM, where he made the Andy Hardy series. From 1938 to 1940, his box office receipts made him the most popular star in the world. In 1939 he received a special Academy Award for his "Boys' Town" with Spencer Tracy and for his work in the Andy Hardy series. And that's the year he and Judy Garland made the musical "Babes in Arms," forging one of the most popular on-screen partnerships in Hollywood history. In 1983, he received an honorary Oscar in recognition of his career.

So there's a basis for his odd swings between bravado and humility, obedience and defiance. Even now, Rooney is still a child star. During his outbursts, you can't tell if he's thinking too fast for everyone else, or if he never learned to think fast enough. Either way, he seems frustrated.

To have the love of millions at such a young age and lose it is cruel. And after

PEOPLE

Muti to Conduct Concert To Aid Uffizi Victims

Riccardo Muti will conduct a concert staged by the city of Florence on July 22 to raise money for victims of a car bomb which killed five people and damaged the Uffizi art gallery on May 27. Muti, the director of Milan's La Scala opera house, will conduct the Florence orchestra and choir in Giuseppe Verdi's Requiem Mass.

Alfredo Arias of Argentina staging a revue in September to reopen the Folies Bergere, one of the most colorful Paris cabarets for more than a century and the former stomping ground of the likes of Josephine Baker and Mistinguette. The cabaret closed in December when terrorism slumped after the Gulf War.

Sarah Ferguson, the estranged wife of Britain's Prince Andrew, said her recent brushes with bad publicity have "made me much more thoughtful and aware of trying to control my spontaneity." She said she would remain friends with Andrew, not least for the sake of their daughters, 4-year-old Beatrice and Eugenie. She said that she had made "huge mistakes" and that "my life is very much just seeing each day how it is."

Franco's former culture minister Jack Lang, Roy Clark founder of the Japanese designer Issey Miyake all sported velvet tunic hats as they received honorary doctorates at Britain's Royal College of Art. Those honored at the Royal Albert Hall also included as Senior Fellow painter Patrick Caulfield, art dealer Derek Waldington and filmmaker Leslie Jamson.

Princess Gloria von Thurn und Taxis, known in Germany as the "punk princess" or just "TNT," is auctioning off more treasures, including 75,000 bottles of rare wines, to pay estate taxes connected with the death of her husband, Prince Johannes, two years ago.

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WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.



Table with columns for Region, City, High, Low, Wind, and other weather metrics for various locations in North America.

THIS WEEKEND AT THE BEACH

Europe and Middle East

Table with columns for Location, Weather, High, Low, Wind, and other beach-related weather metrics for Europe and Middle East.

Caribbean and West Atlantic

Table with columns for Location, Weather, High, Low, Wind, and other beach-related weather metrics for the Caribbean and West Atlantic.

THIS WEEKEND AT THE BEACH

Europe and Middle East

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Caribbean and West Atlantic

Table with columns for Location, Weather, High, Low, Wind, and other beach-related weather metrics for the Caribbean and West Atlantic.

If you're going to travel all over the map, here's how to call from almost any point on it.



Table titled 'AT&T Access Numbers' listing international phone numbers for various countries and regions.

AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries. International calling made simple is all part of The J Plan from AT&T.